

Weekly Market Review

September 27, 2021

Overview

The avocado market continues to struggle on large sized fruit out of California and Mexico; Pricing is escalated, and large sized fruit is extreme. We ask that you be flexible on sizing this week and/or sub over to Peruvian fruit to maintain service levels. We are seeing better numbers on dry veg out of the intercoastal valley regions and moving away from the central valley. We are seeing improved production on tomatoes out of Central Mexico fair production on rounds and grape tomatoes, whereas cherry tomatoes will most likely remain snug for the rest of the year. We are seeing very light production on romas due to quality issues related to ongoing weather pressure as well as yield losses on the mainland as well as Baja. In the east, the tomato category is dropping production quickly across all varieties and we are seeing escalated markets due to the ongoing struggle with weather related pressure from several tropical events. We are also seeing weather affect commodities in the east (corn, green beans, pumpkins, and cucumbers). We will continue to observe areas hit by flooding in the northeast and expect severe crop loss as growers close the season. We are starting to see some relief as transition begins to move south to Georgia and South Carolina for the fall harvest.

Market Alert

- Avocados – **ESCALATED (EXTREME on large sized fruit)**
- Asparagus - **ESCALATED**
- Brussel Sprouts – **ESCALATED**
- Broccoli Crowns & Florets– **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Chili Pepper (Serrano) – **ESCALATED**
- Green Beans – **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Green Bell Pepper (East) - **ESCALATED**
- Honeydew - **EXTREME**
- Pears (Smaller Sizes) – **EXTREME**
- Pickles - **ESCALATED**
- Romaine Hearts – **ESCALATED**
- Tomatoes (West) – Romas & Round - **ESCALATED**
- Tomatoes (East) – Rounds, Romas & Cherry – **ESCALATED**
- Tomatoes (Mexico) – Cherry & Romas - **ESCALATED**

WATCH LIST

- Apples (Small size Granny Smith)
- Strawberries
- Sugar Snap and Snow Peas
- Romaine 24 ct
- Liner Lettuce 24 ct
- Cauliflower
- Green Onions
- Napa
- Transportation

Transportation

Freight rates continue to impact all concepts resulting from increases on the cost of truck loads, due to the ongoing upsurge in fuel prices in addition to labor with shortage of drivers and warehouse pickers. The national average price per gallon for diesel is \$3.34 per gallon and we are looking at a \$3.15 national average rate per mile for a reefer truck. 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. As we continue to return to normal activities travel and entertainment the uptick in spend has more than offset the negative growth for

JALISCO, MX:

Thu 9/23	Fri 9/24	Sat 9/25	Sun 9/26	Mon 9/27	Tue 9/28	Wed 9/29	Thu 9/30
83° 63°F	81° 63°F	81° 64°F	77° 63°F	76° 61°F	77° 60°F	80° 59°F	81° 60°F
PM	PM	PM	Thunderstorms	Thunderstorms	PM	Isolated	PM
Thunderstorms	Thunderstorms	Thunderstorms			Thunderstorms	Thunderstorms	Thunderstorms
1 AM 0.09 in	0.12 in	0.73 in	0.47 in	0.24 in	0.13 in	0.01 in	0.11 in

SALINAS, CA:

Thu 9/23	Fri 9/24	Sat 9/25	Sun 9/26	Mon 9/27	Tue 9/28	Wed 9/29	Thu 9/30
75° 55°F	73° 56°F	70° 55°F	68° 55°F	71° 59°F	65° 52°F	68° 52°F	73° 56°F
AM Clouds/PM Sun	Partly Cloudy	Sunny	Partly Cloudy	Mostly Sunny	AM Clouds/PM Sun	Mostly Sunny	Sunny
0 in	0 in	0 in	0 in	0 in	0 in	0 in	0 in

Good Buys

Commodity	Market Update	Produce Expert Tip
Bananas	Banana quality and availability are good. No problems with supply.	Bananas and zucchini are a match made in heaven... weird right? Not when they are a baked good! Zucchini banana bread is delicious and can be made into loaves or muffins. Top with a brown sugar crumble topping or mix in blueberries or even try chocolate chips as an additional little burst of flavor.
New crop Zucchini - South Georgia	Quality is mixed in the east on old crop while new crop is gorgeous. In the west, good supply continues out of Santa Maria and Baja. Quality is good on green and marginal on yellow. We should start to see new crop squash cross through Nogales in 2 weeks!	

Fruits & Vegetables

Avocados: **ESCALATED (EXTREME on large sized fruit)** Volume from Mexico has picked up and although the total pounds reported for last week are unimpressive, the start of this week has seen harvest levels not secured since last spring. The Aventajada crop is now more readily available as a large percentage of orchards meet dry matter requirements. With moving into the new crop, the size curve is improving, and we can finally see the light-at-the-end-of-the-tunnel. Demand has been flat through summer with the limited Loca crop, but surprisingly Mexico is still 15% ahead of volumes compared to this time last year. If Mexico can get back to 50+ Mil Lbs./ week, then the industry can begin promoting regularly. Big fruit and grade #2 continue to be practically non-existent. Aventajada is bringing a balanced size curve, but the fruit still needs time to size up to 32/36s and the beginning of all crops it's typical to have a limited amount of #2s.

Bananas: Banana quality and availability are good. No problems with supply.

Pineapples: Pineapple volume good and quality is great.

Grapes: Current California weather conditions are good and will not impact growing conditions or supply for grapes. Pricing, overall, is pretty steady with a bit of a tick up on certain green varieties.

Berries

Strawberries: We have received stronger volumes than expected the past few weeks. Although we continue to downtrend, the strong crop load, improved fruit size, and favorable weather that we are expecting next week, we expect another favorable production week. We expect volumes to remain steady next week, then will begin to increase as Santa Maria and Oxnard begin with the new fall crop. The Northern District has reported sporadic condition challenges as they down trend production in the late season. Santa Maria continues removing previous cycle acreage where quality is challenged. Current cycle quality has had good size and flavor with no major defects. Oxnard has seen good overall quality as they continue ramping up production.

Blackberries: Supply will downtrend each week going forward. Volume has decreased the past few weeks at a much slower rate than expected, due to favorable fruit size and quality. Central Mexico is expected to begin production in 2 weeks. Through October we will be in a transition period with the volume from USA regions downtrends whilst Mexico increases. The Northern District has seen the quality issues improve compared to last week. Santa Maria has seen good overall quality with medium to large sized fruit with good flavor and minimal defects as a result of good weather. Quebec has reported good overall quality with good flavor.

Raspberries: Stronger than expected volume as our new plantings peak in California. We will remain steady into next week and up trend for 4 – 6 weeks thereafter, leading into the Central Mexico peak. Volume will remain relatively steady for two more weeks, with potential for more. The Northern District is moving in a positive direction based on some proactive efforts to address quality issues with ranches. Oxnard has seen good overall quality with good appearance and color. Quebec has wrapped up production for the season.

Blueberries: British Columbia will end this week. Oregon production will continue with decreasing volumes for the next 2 weeks. Washington has finished production for their season. Mexico production began last month with light volume and will continue to increase each week moving forward. Baja production has begun and will slowly ramp up over the next few weeks. Peruvian season has started, and we will see increasing volumes moving forward. The Northern District continues with good overall quality with sporadic. Baja has reported good flavor and size.

California Citrus

Valencias: Sizes still peaking 88/72/56, quality has been good. Small sizes 113/138, both grades, are very tight and shelf life is becoming shorter. Browning may become visible on the fruit – these physical signs are due to the excessive heat waves this summer. Buyers are advised to buy Fancy Grade.

Lemons: Coachella, CA & Yuma AZ are gearing up for harvesting new crop. Coachella has been able to harvest small volume, and gas times are high. Yuma will soon follow, as there is more humid/hot days and harvest is very sporadic.

Limes: Market is stabilizing after the hurricane. Pricing in the high teens, quality remains hit and miss with heavy scarring

Grapefruit: Ruby grapefruit now available. Size is peaking on 32s and larger Fancy and all small sizes 36 and smaller are tight. Texas is expected to start very late.

Imports/Specialties available: Import clementines/mandarins are available.

West Coast Lettuce

Butter Lettuce: Volume is down this week compared to previous weeks but still seeing good volume shippers are still covering regular business.

Green Leaf: Salinas green leaf production volume is steady. Overall quality is nice with a good green color, full heads, and good texture. Demand is fair and pricing is steady.

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

Romaine & Romaine Hearts: Romaine – **WATCH LIST** Romaine Hearts – **ESCALATED:** Romaine and romaine heart production supply is beginning to trend lighter. We are experiencing some quality issues at the field level ultimately reducing yields. Plants that are healthy are exhibiting good color, texture, and quality overall. We will continue to be subject to occasional fringe burn and lighter weights. Overall demand is steady, with slightly better movement on romaine hearts.

Iceberg Lettuce: Lettuce supply continues to be lighter than normal. Quality is medium as we are working hard to keep the pack clean and fancy as possible. Weights are lower than normal while yields also continue to be lighter. Demand has been very good for both cartons and value added. The market has been active and is forecasted to stay at these levels for the week. There may be a wide price range on prices depending on quality.

Eastern and Western Vegetables

Green Bell Pepper: **ESCALATED** Product is lighter this week out of the south as transition is on the horizon from North Carolina back to South Georgia while the Northeast is rapidly ending for the season. In the west, the excellent production continues out of the intercoastal valleys with steady volume expected on all sizes but larger sizes. Quality is outstanding and we do not anticipate any pro-rates currently.

Red Bell Pepper: Excellent supply and good quality available.

Yellow Bell Pepper: Excellent Supply and good quality available.

Mini Sweet Pepper: Excellent supply and good quality available.

Mixed Chili Pepper (Serrano Peppers) ESCALATED We are seeing some local deals continue in the east with stable supply. In McAllen, we are seeing supply start to improve as crossings increase. Serranos remain very tight and escalated this week and we need to keep a close eye on some of the microclimates as some regions are reporting loss due to damage mitigation from recent rain flooding. We are not seeing any supply issues on contracts at this point, because we have worked with our growers to navigate through some of these challenges this late in the season but will continue to monitor. We do need to keep in mind that particularly this time of year quality issues can easily come about, and pricing can reflect quality particularly when dealing with older plantings, older growing regions so caution on open market quotes this time of year when transition can be tricky. On the west coast, there is lighter supply crossing

form the Baja while California continues to produce decent numbers. West coast volume is also down on tomatillo and serrano.

Eggplant: WATCH LIST Local eggplant out of the Northeast and Michigan are winding down, we should see South Georgia scratch over the next 10-14 days. Eggplant out of the Central Valley is winding down and should transition to the desert over the next two weeks followed by Nogales first week of October.

Slicer Cucumbers: WATCH LIST Supply is ramping up out of North Carolina and South Georgia. Cucumbers in the west are lighter this week crossing through Otay, Nogales, and McAllen. Overall quality is good in the west, but in the east, we will see weather related quality issues. We do not anticipate any pro-rates currently.

English Cucumbers: Market got snug this week out of Canada, but quality is good. Mexico should start in two weeks.

Pickles: ESCALATED WE are seeing firmer markets this week and supply is light. Quality is mixed

Green Beans: ESCALATED We are seeing very light production in the east mainly due to rain. We expect some South Georgia production to ramp up over the next few weeks and should begin to bring this market back in line for the fall and prepare for the holidays barring no weather as we transition to Florida. In the west, supply is light out of Fresno and Southern California and will remain light until transition to Mexico in October. Quality will be marginal until we transition to Mexico. We do not expect pro-rates however, we recommend subbing to French beans when possible or to soft squash, when possible, simply due to quality.

French Beans: Volume remains stable, and quality is strong.

Zucchini/Yellow Squash: Fall squash out of South Georgia and North Carolina is ramping up while the Midwest will continue production for a few more weeks. Quality is mixed in the east on old crop while new crop is gorgeous. In the west, good supply continues out of Santa Maria and Baja. Quality is good on green and marginal on yellow. We should start to see new crop squash cross through Nogales in 2 weeks!

Herbs

We are seeing very good supply on almost all fresh herbs and flowers currently and quality is outstanding.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Steady	USA/ MEXICO
Opal Basil	Steady	Steady	USA
Thai Basil	Steady	Steady	USA
Bay Leaves	Steady	Steady	COL
Chervil	Steady	Steady	USA
Chives	Steady	Steady	MEXICO

Cilantro	Steady	Steady	USA
Lemongrass	Steady	Steady	USA
Marjoram	Heat	Very Limited	USA
Mint	Steady	Steady	USA
Oregano	Steady	Steady	USA
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Steady	USA
Sage	Steady	Steady	USA
Savory	Heat	Very Limited	USA
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	USA
Thyme	Steady	Steady	USA/MEXICO
Lemon Thyme	Heat	Very Limited	USA
Lavender	Heat	Very Limited	
Lime Leaves	Steady	Steady	USA

Melons

Cantaloupe: Daily cantaloupe pack-outs are beginning to decrease as the Westside season starts its seasonal decline. Some growers will finish by later next week with others continuing until the second week of October. Arizona cantaloupes will start in a small way later next week. Current sizing levels are mostly 9/12s with few jumbos being packed. Temperatures in the region are forecasted to steadily decline over the next 7-10 days which will contribute to smaller sizing becoming more predominant as we move into October.

Honeydew: EXTREME Honeydew production remains extremely limited, and the market continues in a demand exceeds situation. We do not anticipate any relief from the current situation until at least mid-October when we are hopeful Mexican production, crossing through Nogales, provides the necessary relief. In the meantime, flexibility of sizing will most likely be required at time of loading (especially if larger sizes are ordered) and you should expect a shortfall in honeydew production over the next four weeks at minimum. External quality may also be sacrificed as growers attempt to get whatever melons they can into the pack to fulfill orders.

Watermelon: Supply available out of the Midwest, Texas, and Indiana. We are also seeing some light volume out of the Mid Atlantic. Good volume out of California although logistics continue to be a challenge in all markets. Quality in the west is very nice.

Mixed Vegetables

Artichokes: Volume continues to be low this week although quality is excellent. We expect volume to remain low through the month of September with pricing steady to potentially higher. Some shippers are pro-rating orders

Arugula: Supply and quality are good this week.

Asparagus: **ESCALATED** Low volume, good quality, and high demand. Supply affected by major logistic issues including air and ocean shipments.

Bok Choy: Supply is steady this week. Increased demand has created higher market pricing which is expected to last through the weekend.

Broccoli/Broccoli Florets: **ESCALATED** Supply is light this week and the market is strong. Pricing is escalated and shippers are holding orders to averages.

Brussels Sprouts: **ESCALATED** Supply looks to be increasing over the next 2-3 weeks. Expect to see slightly softer open markets FOBs on the 25lb bulk pack. Quality is good with some occasional insect damage noted. Good near-term volume will make sprouts a good promotion item, call for more details!

Carrots: **ESCALATED** Shippers are still struggling with jumbos and table due to labor (these are hand pack items). Due to the unprecedented weekly volume needed for new snack pack options for school and community programs we continue to struggle with supply and demand. Pricing is increasing.

Cauliflower: Overall quality and appearance should be very nice. Supply is starting to lighten up and the market is starting to get active. There is still supply available, but we could see that change as some shippers are talking about lighter supply.

Celery: Business is steady this week with good supplies for us and on the west coast. Quality is good and the market is steady in Salinas.

Corn: **WATCH LIST** Corn supply remains mixed by region due to weather. In the west, valley corn is tight due to heat, New York and Michigan corn are in good supply with, but quality is mixed.

Cilantro: Cilantro supply is expected to be plentiful this week. Now is a good opportunity for promotion!

Fennel: Good supply and quality is very strong.

Garlic: **EXTREME** Garlic contracts have now fully transitioned to new crop California, although supply is still light, and market remains extreme. Shippers are holding to averages

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 is steady. Quality remains consistent with sizing and overall appearance.

Green Onions: **WATCH LIST** Supply and quality are good this week. Market is still active with high prices although prices are starting to come down slowly. We anticipate volume to continue to increase slowly over the next few weeks.

Jicama: Steady supply available crossing through McAllen.

Kale (Green): Bunched Kale supply is expected to be plentiful for the next few weeks. Now is a good opportunity for promotion!

Mushrooms: Supply may begin to tighten for the holidays, and we may see shorter inventories across the country due to labor. Shiitake mushrooms remain short due to a national shortage of logs they grow for harvesting purposes.

Napa Cabbage: **WATCH LIST** Overall supply and quality continue to improve as we are expecting to hit budgeted volume this week. Yields continue to be below normal for current and upcoming plantings.

Parsley (Curly, Italian): Parsley supply is expected to be plentiful for the next three weeks. Now is an opportunity to promote!

Rapini: Good supply and quality remains strong.

Red Cabbage: Supply is steady with good quality.

Snow Peas: Guatemala: **WATCH LIST Guatemala:** Very low volume, fair quality, and high Demand (production affected by weather and supply affected by major logistic issues) **Peru:** Low volume, high demand, and good quality. Supply affected by major logistic Issues

Sugar Snap Peas: **WATCH LIST Guatemala:** Very low volume, fair quality, and high Demand (production affected by weather and supply affected by major logistic issues) **Peru:** Low volume, high demand, and good quality. Supply affected by major logistic Issues

Spinach (Bunched): Quality concerns are tip and wind burn. Insect pressure, aphids, and mildew are also an issue due to foggy mornings.

Spinach (Baby): Supply and quality are good this week.

Spring Mix: Supply is good and quality concerns now are tip burn and wind burn.

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:

The Northwest continues to ship a smaller size profile, with Colossal and Super Colossals being limited. Typically, the onion market is seeing a reduction in price during harvest. This season, given the slow start for a lot of growers, in addition to poor size and yields, we are seeing the market increase on all colors and sizes, outside of medium yellows. This is an unprecedented situation and is indicative of the crop this season in the Northwest. We should see jumbo yellows normalize in the coming weeks when growers are full steam ahead, however, the typical influx of supply that pressures pricing down may not occur this season. Additionally, there are still New Mexico and California onions being put onto the market as well in certain parts of the country. As those supply areas dry up, the demand pressure on the Northwest should increase as well. Northwest growers are continuing to express great concern for the long-term health and

supply of this years' crop due to both wind and heat events during the growing season this Summer. Record high temperatures in Idaho/Oregon/Washington are already negatively impacting yields in the early fields. The situation should be somewhat clarified as growers continue to get into new fields as well and realize just what type of supply they have on hand. Labor is also presenting some major challenges and limiting production out of both Idaho/Oregon and Washington. Once we get past the first of the year, supply is expected to further tighten, and if the heat has detrimental effects on the onions long term storage ability, we may see elevated levels of shrink. Freight continues to be challenging out of all onion growing regions. Finding the right truck and rate seems to be as much about timing and finding 'one-off' deals in comparison to what most carriers are commanding. A lot of freight analysts are predicting some relief sometime in 2022. At this point, we are not hopeful of it taking place any sooner as we will be approaching the holiday season soon.

Potatoes:

The potato market is now beginning to experience pricing relief on 4oct through approximately 8oct. Size profiles have flipped, and larger count cartons are now more plentiful, while smaller size cartons, No. 2 grade potatoes, and consumer bags are in short supply. We do not anticipate relief on small size potatoes for a few weeks as growers try to move through the larger profiles. In typical seasons, we generally see pricing stressed to some fairly low numbers on all sizes. The behavior of the market this season during harvest is a good indicator of the long-term outlook of the crop. The concern regarding as much as 30% or more of the crop remain alive and well, however, we likely will not feel just how tight the market is until we get to around Spring and Norkotahs begin to wind down. Once we get to the later part of the crop, and are shipping Burbanks exclusively, size is going to be a real challenge. Unfortunately, we are not in a situation where we can make up the Idaho shortfall with supply from other growing regions, as Washington experienced similar growing conditions, and they are up against the same challenges related to low yields. The concern surrounding trucks continues to be elevated as rates these past few weeks have continued to increase. Shippers and receivers should be prepared to continue to see elevated freight rates at least through this calendar year. In normal circumstances, we see a drop in rates during the first quarter, but it remains to be seen if that will take place this coming year.

TOMATOES

East Coast

- **Round Tomatoes: ESCALATED** We are seeing very light supply and expect to see lighter inventory for the next several weeks. Between the gradual winding down of the mountain season and preparation for the move to the Carolinas back to Florida, the category has certainly fallen below expectations for this time of year. We do expect a firm market through most of September and well into October. We are working closely with our growers to keep you informed of any issues or supply shortfalls we may see over the next several weeks during transition back to South Carolina and Florida. We expect marginal quality during this time and suggest keeping lighter inventory as shelf life will be comprised from all the weather-related pressure on the fruit. We do not anticipate any pro-rates currently on round tomatoes.
- **Romas Tomatoes: ESCALATED** We are seeing very light supply and expect to see lighter inventories for the next several weeks. Between the gradual winding down of the mountain season and preparation for the move to the Carolinas back to Florida, the category has certainly fallen below expectations for this time of year. We do expect a firm market through most of September and well into October. We are working closely with our growers to keep you informed of any issues or supply shortfalls we may see over the next several weeks during transition back to South Carolina and Florida. We expect marginal quality during this time and suggest keeping lighter inventory as shelf life will be comprised from all the weather-related pressure on the fruit. We do not anticipate

any pro-rates at this time on roma tomatoes, but should we have any shortfalls recommend subbing to rounds.

- **Grape Tomatoes:** We will see a mix on volume and quality over the next several weeks mainly due to the weather for the entire snacking tomato category. We will continue to observe and evaluate the condition and health of the crop with our growers for a sign of improvement but expect light volume through the remainder of the summer programs. We do not anticipate any pro-rates currently.
- **Cherry Tomatoes:** **ESCALATED** We will see a mix on volume and quality over the next several weeks mainly due to the weather for the entire snacking tomato category. We will continue to observe and evaluate the condition and health of the crop with our growers for a sign of improvement but expect light volume through the remainder of the summer programs. We do not anticipate any pro-rates currently.
- **Organic Tomatoes:** **WATCH LIST** Supply very limited, and quality is marginal.

Mexico

- **Round Tomatoes:** Markets remain mixed this week despite a bit more volume crossing through Otay and McAllen. Overall quality is very nice on rounds.
- **Roma Tomatoes:** **ESCALATED** Lighter crossings this week on romas as we continue to struggle with volume due to weather related pressure. We are seeing a lot of quality issues this week which is causing several rejections at the border. On the Baja, volume is lighter this week and may be short crossing through Otay. We may see minimal pro rates this week and recommend subbing to a round tomato if necessary.
- **Grape Tomatoes:** Better volume and good quality crossing through all major borders this week.
- **Cherry Tomatoes:** **ESCALATED** Supply remains light this this week out of Mexico and quality is mixed. No pro rates expected at this time
- **Grape Tomato Medley:** Excellent volume and quality crossing through McAllen.

California

- **Roma & Round Tomatoes:** **ESCALATED** We continue to see growers harvesting daily round and roma tomatoes out of the Northern California and quality can vary by region. We are seeing a few more quality issues on vine ripers out of Southern California this week, mainly caused by heat related pressure. We are working with the grower to clean this up but going to struggle for a few more weeks.

APPLES & PEARS

Apples: **WATCHLIST** 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.

Peaches: Yellow and white flesh available out of California and yellow flesh available out of South Carolina, New Jersey and NE Atlantic.

Nectarines: Yellow and white flesh are available out of California

Cherries: Done for the season

Plums: Late season Plum varieties still available.

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