

Weekly Market Review

October 8, 2021

Overview

Avocados are improving as the size curve begins to relax on larger sized fruit with more production coming from the Aventajada crop. We are seeing overall inventories on the rise, even though California is done for the season, and we will start to see a decline in availability of product from Peru. Tomato production will be at season lows this week as California ends and Florida is slow to start up. Mexico is struggling to keep up with demand and local deals in the east out of Tennessee and North Carolina are finishing up for the season. We hope to see production start in Florida over the next 10 days and start to level out demand. South Georgia production continues to be strong on bell pepper, squash, eggplant, and cucumbers. We should see improving production on beans over the next few weeks but expect markets to be firm. Nogales is starting to cross squash and cucumber. The season is ramping up which will be some much-needed relief to west coast shippers, and we should also see a few transition crops (green bells & corn) start up in Coachella over the next 10 days barring no weather delays. ***Liner lettuce 24 ct. and value added are escalated.*

Market Alert

- Avocados – **ESCALATED**
- Asparagus - **ESCALATED**
- Brussel Sprouts – **ESCALATED**
- Broccoli Crowns & Florets– **ESCALATED**
- Cabbage (Green) - **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Chili Pepper (Serrano) – **ESCALATED**
- Cucumbers – **ESCALATED**
- English Cucumbers – **ESCALATED**
- Green Beans – **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Honeydew - **EXTREME**
- Pears (Smaller Sizes) – **EXTREME**
- Romaine Hearts – **ESCALATED**
- Tomatoes (West) – Romas & Round - **ESCALATED**
- Tomatoes (East) – Rounds, Romas & Cherry – **ESCALATED**
- Tomatoes (Mexico) –Grape, Rounds, Cherry & Romas – **ESCALATED**

WATCH LIST

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

durable goods by 300%. In an average year, we would expect June spot rates to peak above May levels, and although this was not the case this year, we saw rates follow a normal seasonal pattern leading up to early July. The challenges that carriers are facing with driver and truck availability will continue to limit availability of capacity to support pickups and there continues to be a vast amount of uncertainty as to when to expect true deflationary market conditions.

It truly is an unprecedented time in the freight market, so please reach out to your Produce Alliance representative to understand solutions from sourcing outside of produce items, to evaluating pricing moving items from whole to processed on account of labor, and deeper yield per case.

Weather

OXNARD, CA:

Thu 10/7 67° 59°F Mostly Cloudy 1 AM 0 in	Fri 10/8 65° 51°F Partly Cloudy 0 in	Sat 10/9 69° 53°F Sunny 0 in	Sun 10/10 72° 53°F Sunny 0 in	Mon 10/11 71° 51°F Sunny/Wind 0 in	Tue 10/12 67° 49°F Sunny 0 in	Wed 10/13 69° 51°F Sunny 0 in	Thu 10/14 68° 54°F Sunny 0 in
--	---	---	--	---	--	--	--

FRESNO, CA:

Thu 10/7 79° 55°F Mostly Sunny 0 in	Fri 10/8 66° 47°F AM Showers 0.03 in	Sat 10/9 71° 47°F Sunny 0 in	Sun 10/10 76° 51°F Sunny 0 in	Mon 10/11 68° 44°F Sunny/Wind 0 in	Tue 10/12 68° 41°F Sunny 0 in	Wed 10/13 73° 44°F Sunny 0 in	Thu 10/14 76° 47°F Sunny 0 in
--	---	---	--	---	--	--	--

ADEL, GA

Thu 10/7 85° 70°F PM Thunderstorms	Fri 10/8 82° 67°F Scattered Thunderstorms	Sat 10/9 82° 64°F Partly Cloudy	Sun 10/10 83° 63°F Partly Cloudy	Mon 10/11 84° 67°F Mostly Sunny	Tue 10/12 86° 67°F Mostly Sunny	Wed 10/13 86° 68°F Mostly Sunny	Thu 10/14 86° 67°F Partly Cloudy
---	--	---	--	---	---	---	--

PALMETTO, FL

Thu 10/7 91° 74°F Partly Cloudy	Fri 10/8 86° 74°F Scattered Thunderstorms	Sat 10/9 86° 71°F Scattered Thunderstorms	Sun 10/10 87° 71°F Partly Cloudy	Mon 10/11 87° 71°F PM Showers	Tue 10/12 88° 72°F PM Showers	Wed 10/13 89° 73°F Partly Cloudy	Thu 10/14 89° 72°F Mostly Sunny
---	--	--	--	---	---	--	---

JALISCO, MX:

Thu 10/7	Fri 10/8	Sat 10/9	Sun 10/10	Mon 10/11	Tue 10/12	Wed 10/13	Thu 10/14
87° 66°F	90° 66°F	89° 67°F	86° 66°F	81° 65°F	80° 64°F	78° 63°F	82° 63°F
							
Mostly Sunny	Sunny	Mostly Sunny	PM Thunderstorms	Thunderstorms	PM Thunderstorms	Thunderstorms	PM Thunderstorms
1 AM 0 in	0 in	0 in	0.02 in	0.18 in	0.84 in	0.27 in	0.09 in

SALINAS, CA:

Thu 10/7	Fri 10/8	Sat 10/9	Sun 10/10	Mon 10/11	Tue 10/12	Wed 10/13	Thu 10/14
64° 54°F	62° 50°F	69° 48°F	68° 49°F	65° 49°F	66° 45°F	68° 47°F	69° 49°F
							
Partly Cloudy	AM Clouds/PM Sun	Partly Cloudy	Sunny	Sunny	Sunny	Mostly Sunny	Sunny
12 AM 0 in	0 in	0 in	0 in	0 in	0 in	0 in	0 in

YUMA, AZ:

Thu 10/7	Fri 10/8	Sat 10/9	Sun 10/10	Mon 10/11	Tue 10/12	Wed 10/13	Thu 10/14
92° 71°F	88° 63°F	86° 63°F	89° 61°F	91° 60°F	74° 53°F	78° 55°F	81° 59°F
							
Mostly Cloudy	AM Clouds/PM Sun	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny
1 AM 0 in	0 in	0 in	0 in	0 in	0 in	0 in	0 in

Commodity	Market Update	Produce Expert Tip
New Crop Squash-Georgia	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 saw light crossing this week in Nogales on a few scratch picks.	Roasted squash is great by itself, but we have a fun trick that can elevate your squash game. Slice ½ slices of squash so that they are like coins and toss them with oil. Then mix together lemon pepper, panko breadcrumbs, paprika and salt and pepper. Then toss the squash in with the bread crumb mixture and roast them in the oven! Delicious!
New Crop Green Bell Pepper-Georgia	Excellent production available out of South Georgia. Larger sized fruit primarily available this week as growers is crown picking but product is gorgeous. The northeast and local delas are rapidly ending while 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.	Did you know that While oranges may be known for their high Vitamin C content, green peppers actually have double the amount of Vitamin C by weight that oranges and other citrus fruits have. Green peppers are a popular vegetable to keep in your kitchen because they are incredibly versatile and can be added to almost any savory dish.

Fruits & Vegetables

Avocados: **ESCALATED** Avocado volume is on the way up as bigger sizes become more readily available. We are anticipating a further reduction in price with the market changing almost daily. #2s will become more readily available especially on the 48ct size.

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: Supply will begin to transition from primarily Northern California to Santa Maria, Oxnard, and Central Mexico. We expect supply to increase in Santa Maria and will begin to approach peak periods. Due to cool weather in Oxnard, we are anticipating a delay in our production timing, hence we have shifted our expected supply later by a few weeks. Central Mexico has begun harvesting, but volumes are not being exported to the U.S. at this time. Watsonville and Salinas are decreasing as growers are expecting to remove acres to focus only on higher quality sections. The Northern District has experienced some condition issues, but the team is working to address challenges and remove hectares where necessary. Santa Maria current cycle is showing medium to large sized fruit with minimal bruising and good flavor. Oxnard has reported good flavor and high-average brix across all varieties. Central Mexico has reported sporadic green defects as they start increasing production.

Blackberries: Supply will enter a transition period between the U.S. and Central Mexico producing regions. The U.S. regions will descend week over week while Central Mexico is expected to produce much of the supply in late October. The U.S. supply will be mostly out of Watsonville and Santa Maria, whilst Oxnard remains with low supply until mid to late November. The Northern District has reported a drop in volume compared to previous weeks. They are reporting lower rejection rates across the region. Santa Maria has seen medium to large size with good flavor. Sweetest Batch quality has had good flavor scores at the docks and Oxnard has seen good appearance and flavor overall. Quebec continues with good quality and flavor and New Jersey continues with low volumes and good condition and small to medium sized fruit.

Raspberries: Volume will continue to increase each week over the next month. Central Mexico is driving the uptrend and California is holding on stronger than expected. We expect peak production in a few weeks, late October/ early November. Oxnard has reported good overall quality with minor condition rates. Flavor and appearance are good on average across the district. The Northern District has seen less impacts from the warm weather last week than anticipated. The district continues pushing growers to remove hectares where quality is a concern. Santa Maria has seen good overall quality as volume continues to downtrend past their peak. Baja has reported a drop in rejections overall.

Blueberries: British Columbia is finished for the season. Next week is the final week of production for Oregon. 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 is in their fall peak. Peruvian season has started, and we will see increasing volumes moving forward, however the ports will impact timing of availability. The Northern District continues picking up in volume with good overall

quality. Oxnard has reported good overall quality as well. Central Mexico has reported good appearance and condition. Baja has seen good size and flavor with no dock rejections for the week.

California Citrus

Valencias: CA Valencia's (Loading out of Delano, CA) Currently sold out on 48s/smaller, there is a possibility of some 113's being available. Great availability on 36s/40s fancy. The end of Valencia season is projected for mid-end October in time for California navel season.

Lemons: CA Lemons (loading out of Delano, CA) Still very tight with mostly standard grade in house loading out of Delano, CA and majority of the lemons in Delano is MX lemons coming from transfers to fulfill inventory on the west coast. We are moving out of D2 growing region and are expected to be in D1 by the end of October – this will allow for more availability. **MX Lemons (Loading out of Mission, TX)** Quality is still looking great, even all the way down to Standard grade – the internals are meeting expectations. No 200s/235s available currently, but availability is good on 165s and larger for all grades mostly. Season expected to come to an end in a few weeks – in time for California Lemons to pick up.

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: Overall volume and quality looks to be steady this week. Market is slightly stronger as business has increased. Lettuce will be starting in Huron the week of Oct 18th but supply from there will be lighter this year versus what we normally see in Huron.

Green Leaf: Salinas green leaf production volumes is slightly lower from previous weeks. 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 below budget. 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 is still projected to be lighter than normal. We will go from a higher-than-normal heat wave to super low temperatures with possible rain by the weekend. The days are getting shorter and ground temperatures are lower. The IV virus is affecting yields and pounds per acre, and the local lettuce growing regions are starting to wind down. The market is active and forecasted to remain active.

Eastern and Western Vegetables

Green Bell Pepper: Excellent production available out of South Georgia. Larger sized fruit primarily available this week as growers is crown picking but product is gorgeous. The northeast and local delas are rapidly ending while 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 Most of the local deals are wrapping up for the season by this weekend and transitioned to either South Georgia or Florida with very limited supply on cubanelles, long hots and poblano. Jalapeno and slightly better this week. In McAllen, supply is snug this week on all varieties, and Serranos remain extremely tight as growers transition to newer fields. 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 from the Baja while California continues to produce decent numbers. West coast volume is also down on tomatillo and serrano.

Eggplant: Local eggplant out of the Northeast and Michigan are mostly done for the season and full transition to South Georgia is complete, with good supply and quality available. 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: ESCALATED Excellent supply available out of 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: ESCALATED The market remains very tight out of Canada, but quality is good. Mexico should start in later this month.

Pickles: Good supply available out of Florida. We should see some volume available in Mexico next month as well. Quality is very nice.

Green Beans: ESCALATED Markets remain firm, but we are starting to see some availability out of South Georgia this week and hope to see markets realign for the fall as we prepare for the holidays and a smooth transition to the south for the winter months. In the west, supply is wrapping up out of the Central Valley and be limited out of the desert in until transition to Mexico sometime this month. 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, due to quality.

French Beans: Volume remains stable, and quality is strong, but pricing is higher this week due to increased demand.

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 saw light crossing this week in Nogales on a few scratch picks.

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
Lime Leaves	Steady	Steady	USA

Melons

Cantaloupe: California cantaloupe production continues with its seasonal decline as some growers begin to finish harvesting this week. Others will continue into next week with limited overall supply. Sizing will

focus primarily on the mid-range fruit with mostly 12/15s anticipated. Larger melons (9ct) will be in a very limited position. Arizona production has started in a very small way with most growers not expected to begin their harvests until next week. Our goal is to remain with California production as long as possible before looking to transition to the desert.

Honeydew: EXTREME Honeydew production remains very limited with the market continuing in a demand exceeds supply scenario. We anticipate the situation worsening as the California deal closes over the next week. The only relief in sight is some production in Arizona but we are hopeful Mexican crossings through Nogales will begin by mid-October to at least provide an option. Larger sizes (5/6s) are extremely challenging right now with the highest percentage of what is being harvested being 8s. Flexibility of sizing will most likely be required at time of loading (especially if larger sizes are ordered) and anticipate a shortfall in honeydew production over the next two 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: Lighter supply available out of the Midwest, Texas, and Indiana. Fair 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 and we expect to harvest 5 days. Most of what we are packing are 12s with excellent quality. We expect volume to remain low through the month of October and prices are steady to lower depending on size.

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

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 and increased demand has created higher market pricing which is expected to last through the weekend.

Broccoli/Broccoli Florets: ESCALATED Broccoli/Broccoli Florets: ESCALATED Supply is light this week and the market is strong. We do not anticipate supply to return to normal until we transition to Yuma at the end of November

Brussels Sprouts: ESCALATED Supply is good and production yields are on track for this week. We should finish harvest on the south-central coastal region and move to Salinas by 10/11. Quality is good and the outlook for the next 1-2 weeks shows promotional volume.

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: WATCH LIST: Supply will remain lighter than normal. Overall quality and appearance should be very nice.

Celery: Business is better this week with good supply on the west coast. Regional supply is drying up. 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: Lower volume on fennel this week as we are facing some quality issues out on the field reducing our overall yield. We will be covering normal business only and expect to see a majority of 18/24ct this week. Quality on final pack out remains 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: **ESCALATED** Supply continues to be light, and market is strong. Warm temperatures over the last month in California has caused lighter availability in the fields.

Green Onions: **WATCH LIST** Supply continues to improve, although market remains active. Quality is good and we look for market to remain steady to slightly lower.

Jicama: Steady supply available crossing through McAllen.

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

Mushrooms: **WATCH LIST** 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 continues to improve as we are expecting to better 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: We continue to see lighter supply on rabe this week. We will have lighter harvests at the front of the week with better harvests coming towards the end of the week – anything that can load later in the week the better. We will be covering normal business only this week. There are no issues to report on quality.

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 limited Colossal and Super Colossals. Harvest is mostly finished and should entirely wrap up in both regions by next week. The market continues to stay strong on yellow jumbos and larger, and all sizes of reds and whites. Typically, we see reduced prices during harvest before prices firm up as growers ship out of storage. This season, it remains to be seen if the market can bear a further increase from where things are currently at. Movement has slowed these past two weeks, likely due to higher pricing and a decrease in demand. However, most growers are pleased with this, as they are needing their short supply to last them well into the spring to cover contract commitments. The National Onion Association (NOA) supply reports will be very telling this year as a means of seeing just how short the Northwest crop is. Labor shortages are continuing to present production challenges in both Idaho/Oregon as well as 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. However, there are rumblings that Mexico and other off-shore onion growing regions have larger than normal crops that they will be importing into the U.S. come January. Assuming this is true, the supply should help put a lid on where the market can climb to. It likely will not be enough volume to push FOB prices down, but it should at least slow the upward momentum. 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 continues to ease up on large size counts, with 8oct and smaller potatoes, as well as #2 potatoes, getting progressively tighter each week. We do believe this is a short-term situation that should ease up and become more balanced as growers begin shipping out of storage in the coming weeks. 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. Additionally, processors continue to pressure growers into moving their raw product at unprecedented prices. This should help to stabilize and hold FOBs at healthy returns, or growers may opt to move their supply in that direction. 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. We should see the mountain deals continue to wind down this week and transition back to Florida by the end of October. The category has certainly fallen below expectations for this time of year, and we do expect a firm market through most of October, but 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 Florida. We do 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 continue to see the up and down ride as inventories decline as the season summer season comes to an end. We do expect transition in three weeks back to Florida/South Georgia the category has certainly fallen below expectations for this time of year, and we do expect a firm market through most of October, but 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 Florida. We do 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 roma tomatoes.
- **Grape 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.
- **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: EXTREME** Supply very limited, and quality is marginal.

Mexico

- **Round Tomatoes: ESCALATED** Markets remain mixed this week despite a bit more volume crossing through Otay and McAllen. Overall quality is very nice on rounds. We do not anticipate any pro-rates on contracts currently
- **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: ESCALATED** We are seeing better volume and good quality crossing through all major borders this week but major demand from the east is driving pricing higher this week. We do not anticipate any pro-rates currently.
- **Cherry Tomatoes: ESCALATED** Supply remains light this week out of Mexico and quality is mixed. No pro rates expected at this time, however, should we do see any we recommend a sub to grape tomatoes.
- **Grape Tomato Medley:** Excellent volume and quality crossing through McAllen.

California

- **Roma & Round Tomatoes: ESCALATED** The season will continue to wind down and come to a close by end of month.

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.

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.