

Weekly Market Review

November 12, 2021

Overview

Most items will be tight going through this transition, (please see “Transition Schedule” attachment within the Market Report email). The avocado market continues to see stronger numbers on mid to smaller sizes this week and has tightened up on larger sized fruit. We anticipate promotable volume to continue in the forecast from this Aventajada crop. Mexico tomato production has turned a corner and seeing stronger numbers. Unfortunately, the Florida tomato markets will remain volatile through the Thanksgiving holiday. We recently experienced a rain event in South Florida, and we will continue to observe crops for any damage. South Georgia is wrapping up quickly as we transition fully to Florida by next week. Nogales is continuing to open with squash and cucumber availability as well as chilis and bell peppers crossing over the next 10-14 days. Transition to the desert is in full swing and we should see improvement on green bells, beans & corn out of Coachella over the next week. Chile pepper market is extremely short due to transition, and there is a GAP and quality issues in mainland Mexico (jalapeno, serrano pepper, tomatillos, poblanos and all other hot peppers out of Mexico are impacted).

Market Alert

- Avocados – **ESCALATED**
- Bananas – **ESCALATED**
- Broccoli & Broccoli Florets – **ESCALATED**
- Brussel Sprouts – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Chili Peppers – **EXTREME**
- Corn - **ESCALATED**
- Eggplant - **ESCALATED**
- Green Beans – **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Honeydew – **EXTREME**
- Lettuce (Green Leaf) – **ESCALATED**
- Lettuce (Iceberg) – **EXTREME**
- Lettuce (Romaine Hearts & Romaine) – **ESCALATED**
- Mushrooms - **ESCALATED**
- Pineapples – **ESCALATED**
- Spinach - **ESCALATED**
- Tomatoes (Rounds and Romas) East & West **ESCALATED**

WATCH LIST

- Bell Pepper (Red and Yellow)
- Celery
- Green Onions
- Napa
- Strawberries
- Sugar Snap and Snow Peas

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. 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%. 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 11/11	Fri 11/12	Sat 11/13	Sun 11/14	Mon 11/15	Tue 11/16	Wed 11/17
80° 59°F	82° 61°F	81° 58°F	74° 55°F	70° 53°F	63° 51°F	62° 51°F
						
Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny

FRESNO, CA:

Thu 11/11	Fri 11/12	Sat 11/13	Sun 11/14	Mon 11/15	Tue 11/16	Wed 11/17
68° 48°F	72° 50°F	72° 50°F	73° 50°F	75° 50°F	70° 48°F	63° 44°F
						
Partly Cloudy	Partly Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

ADEL, GA

Thu 11/11	Fri 11/12	Sat 11/13	Sun 11/14	Mon 11/15	Tue 11/16	Wed 11/17
77° 57°F	73° 47°F	64° 38°F	60° 40°F	64° 37°F	58° 37°F	62° 43°F
						
AM Showers	Mostly Sunny	Mostly Sunny	Sunny	Sunny	Sunny	Mostly Sunny

PALMETTO, FL

Thu 11/11	Fri 11/12	Sat 11/13	Sun 11/14	Mon 11/15	Tue 11/16	Wed 11/17
81° 64°F	80° 64°F	76° 55°F	68° 51°F	73° 52°F	69° 52°F	75° 58°F
						
Partly Cloudy	Mostly Cloudy	Partly Cloudy	Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy

JALISCO, MX:

Thu 11/11	Fri 11/12	Sat 11/13	Sun 11/14	Mon 11/15	Tue 11/16	Wed 11/17
82° 56°F	83° 57°F	84° 59°F	84° 57°F	85° 57°F	84° 56°F	84° 56°F
						
Sunny	Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy

SALINAS, CA:

Thu 11/11	Fri 11/12	Sat 11/13	Sun 11/14	Mon 11/15	Tue 11/16	Wed 11/17
74° 49°F	77° 50°F	78° 51°F	80° 53°F	72° 50°F	64° 49°F	62° 44°F
						
Sunny	Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy

YUMA, AZ:

Thu 11/11	Fri 11/12	Sat 11/13	Sun 11/14	Mon 11/15	Tue 11/16	Wed 11/17
88° 64°F	90° 61°F	90° 58°F	89° 57°F	87° 57°F	84° 56°F	79° 53°F
						
Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny

Good Buys

Commodity	Market Update	Produce Expert Tip
Grape Tomatoes	Good volume and outstanding quality available.	When other tomatoes not doing so hot, use grapes to ramp up your tomato game! A great use for grape tomatoes, that one may not think, is soup! Add grape tomatoes to a baking dish with garlic, onion, and a nice drizzle of olive oil. Season with salt and pepper and roast. Then, blend the roasted mixture and add some cream to cut the acidity. Winter is upon us, and soup is the perfect dish!

Fruits & Vegetables

Avocados: ESCALATED Last week was a holiday in Mexico and we are seeing lighter crossings. Market pricing was fairly steady last week, and we saw some increases on big fruit, but small fruit seems unaffected by the 'rain market'. If harvest remains strong, we may see decreased field pricing in two weeks. The size curve percentages remain mostly unchanged – the crop continues to be strong on 60s and smaller while large fruit remains tight. October ended with the market higher than anticipated, and November is starting higher than the previous 6 years. Most believe this market should have cooled off by now, but between field prices and inflation, demand remains strong particularly in the foodservice arena.

Bananas: ESCALATED Banana quality and availability are good at this point, however the cost to get bananas is up.

Pineapples: ESCALATED While pineapple volume is where we would like it to be this time of year, we are experiencing a higher cost to go to market. Quality and taste profile are great.

Grapes: There is very little chance of rain despite the cloudy and cool weather in both the Northern and Southern San Joaquin Valley. Growers have resumed harvest and the windy cool weather following last week's rains helped minimize the negative impact on grape supply. Growers focused their harvest and recovery efforts on the best grapes leaving smaller and lighter color red grapes behind. We saw the lower end markets firming up. Most of the CA harvest will be completed by the end of the mid November.

Berries

Strawberries: We expect volume to increase in the upcoming weeks as Oxnard is expected to reach peak volumes starting next week. Although Santa Maria supply continues to decrease, we still expect good volume out of this district. Central Mexico continues to increase in volume as fruit size is large and plants are showing a strong crop load.

Blackberries: Supply is slightly higher than expected this week. We will gradually increase week over week until reaching peak volumes in early December. The majority of the supply being produced is from central Mexico and Santa Maria is currently the main producer in the U.S.

Raspberries: We are on track for volume to increase into peak production over the next few weeks. Central Mexico could bring on higher than expected volume due to the possibility of a concentrated peak. California supply is decreasing fast, but Oxnard will continue to contribute about 10% of overall volume through the New Year.

Blueberries: Mexico production will continue to increase week over week through January. Baja production will remain stable for the rest of the year. Volume from Peru is expected to increase for the next couple of weeks.

California

Citrus

Oranges: Navels have started. Plenty of small fruit available, mostly fancy grade.

Lemons: District 3 lemons have started, and quality is looking good. Some imported lemons will be available for the next few weeks as ships continue to be unloaded at the port of CA. Mexican lemons will be available for the next few weeks as well.

Limes: Market prices are mixed this week; quality has been looking much better.

Grapefruit: Ruby grapefruit now available. Size is peaking on 32s and larger fancy and all small sizes 36s 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 continues steady this week with some shippers transitioning to Yuma.

Green Leaf: **ESCALATED** Salinas green leaf production continue to decrease weekly although we are seeing shippers transitioning to Yuma. Quality is fair with a good green color, good texture, and slightly lighter in weight. Pricing is steady and we should see green leaf fully transitioned to Yuma by the week of November 22nd.

Red Leaf: Good volume with good quality, the market is steady. We should see red leaf fully transitioned to Yuma by the week of November 22nd.

Romaine & Romaine Hearts: **ESCALATED** Romaine and romaine heart production continues to trend lower. 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. With the supply on iceberg lettuce being so short, overall demand on romaine is stronger, with slightly better movement on all romaine.

Iceberg Lettuce: **EXTREME** The market continues to be active due to lighter weights and lower yields. The forecast is for active markets all week. Lettuce is in the middle of transition to Yuma and Salinas is mostly finished for the season with about another week or so in Huron. We expect to be fully transitioned to Yuma by the week of November 22nd.

Eastern and Western Vegetables

Green Bell Pepper: Georgia is mostly done for the season and supply continues to improve out of Florida. In the west, we are seeing decent volume in the desert, the coast will wrap up soon as last week's rain impacted the remaining crops a bit; we will also see a few light crossings in Nogales this week. Quality is outstanding and we are not expecting any pro-rates on our programs currently.

Red Bell Pepper: WATCH LIST Tighter supply this week available out of California, Mexico, and Canada. Quality remains good.

Yellow Bell Pepper: WATCH LIST Tighter supply this week available out of California, Mexico, and Canada. Quality remains good.

Mini Sweet Pepper: Lighter supply available this week.

Mixed Chili Pepper (All Varieties): EXTREME Lighter supply out of South Georgia this week on long hots, poblano, cubanelle and Jalapeno. Quality is outstanding and we are starting to see availability out of Florida as well. In McAllen, supply will remain tight this week on all varieties, jalapeno and serrano 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 these challenges but will continue to monitor. West coast supply is done out of California and Baja is extremely light due to cold weather. We should see new crop available out of Nogales in 10 to 14 days.

Eggplant: ESCALATED South Georgia is done for the season and now shipping out of Florida which will be lighter this week due to cooler weather. In the west, numbers continue to ramp up out of Mexico as well as Coachella. Quality is outstanding

Slicer Cucumbers: Good supply available in South Georgia and Florida. In the west, good supply loading in Nogales, and McAllen.

English Cucumbers: Supply and quality are good.

Pickles: Good supply available out of Florida. We are seeing improving volume out of Mexico as well. Quality is very nice.

Green Beans: ESCALATED Markets remain firm and supply lighter this week out of Georgia and South Florida, mostly weather related. Quality in the east, has been marginal due to rain and volume expected to be light for the holidays. In the west we are seeing volume ramp up out of the desert and should see a few crossings out of Nogales late next week. We do not expect pro-rates, however, we recommend subbing to French beans or soft squash if needed.

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 Florida is looking beautiful and volume should remain stable through the remainder of the month. In the west, excellent supply out of Nogales. Quality out of Mexico is outstanding

Herbs

Herbs remain steady this week.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA

Basil	Steady	Steady	USA/ 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	Steady	Steady	USA
Oregano	Steady	Steady	USA
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Steady	USA
Sage	Steady	Steady	USA/MEXICO
Savory	Steady	Steady	USA
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	MEXICO
Thyme	Steady	Steady	USA/MEXICO
Lavender	Steady	Steady	USA
Lemon Thyme	Steady	Steady	USA
Lime Leaves	Steady	Steady	USA

Melons

Cantaloupe: **WATCH LIST** Domestic cantaloupe availability from the desert remains very low but beginning next week we will have other options. Offshore season will officially kick-off with our first arrivals on Monday 11/15 in Florida. Initial quality reports are great for the first arrivals as growing conditions have been ideal thus far within the region. Melons are solid with very good internal quality characteristics. Sizing should primarily lean towards 9/9Js with a decent percentage of 12s also in the mix.

Honeydew: **ESCALATED** Honeydew production from Arizona has primarily been driven by the Mexican crossings through Nogales. Offshore supply will be approximately 7-10 days behind the start of the cantaloupe arrivals.

Watermelon: Lighter supply available this week crossing through Nogales. Demand is flat and quality is marginal.

Mixed Vegetables

Artichokes: Steady supply of 12ct, light on smaller sizes.

Arugula: Supply and quality are good this week.

Asparagus: Supply and quality are very good, and pricing continues to trend steady.

Bok Choy: Bok Choy volume is expected to be plentiful for the next two weeks.

Broccoli/Broccoli Florets: **ESCALATED** Supply is light this week and the market is strong.

Brussels Sprouts: **ESCALATED** Supply is good but packing capacity may impact availability during the week. Quality is generally good, but some insect damage is noted.

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: Quality is good. Supply is expected to be slightly lower than we have seen in the last few weeks as we transition to Yuma.

Celery: Good supply on the west coast. Quality is good and the market is steady in Salinas. Oxnard has started so we will see supply from Oxnard through Spring.

Corn: **ESCALATED** Corn is limited out of South Georgia and Coachella. Quality is mixed, and FOB prices are high.

Cilantro: Cilantro volume is expected to be plentiful for the next two weeks.

Fennel: Good supply.

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 increasing, and market is lower. Quality is good.

Green Onions: **WATCH LIST** Quality is good this week. Market is extremely active due to supply shortage with many growers in northern Mexico because of the extremely hot weather and high humidity the past two months along with the Holiday season.

Jicama: Steady supply available crossing through McAllen.

Kale (Green): Bunched kale supply is expected to be plentiful for the next few weeks. Now is an opportunity to promote.

Mushrooms: **ESCALATED** Quality is good, although supply is extremely short and market is higher primarily due to a lack of labor, shortages in component of growing such as peat moss. We do expect this trend to continue through the first of the year.

Napa Cabbage: Volume is expected to be plentiful for the next two weeks.

Parsley (Curly, Italian): Supply is expected to be plentiful for the next three weeks.

Rapini: Steady supply.

Red Cabbage: Supply is light although quality remains consistent with sizing and overall appearance.

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): **ESCALATED** Quality concerns are fringe burn, insect damage and possible mildew.

Spinach (Baby): **ESCALATED** Quality concerns of fringe burn, insect damage and possible mildew.

Spring Mix: Supply is good and, but we are seeing quality concerns such as sclerotinia, fringe burn, insect damage, and mildew.

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. The market continues to stay strong on yellow jumbos and larger, and all sizes of reds and whites. Movement has slowed these past two weeks, likely due to the onion recall on Mexican onions that shipped this past summer even though these onions are more than likely entirely out of the supply chain, the national stage of the recall has given consumers some pause. This has allowed growers to have a few quiet weeks to extend their crop and cover contract commitments later into the spring. Since the recalled onions were isolated to Mexican product, we are already seeing many multi-unit national accounts change their sourcing guidelines to omit Mexican grown onions. Typically, Mexican onions can drastically change the supply situation, and pressure pricing down. However, if major onion users will no longer allow Mexican product, we may see the domestic supply increase in pricing, regardless of how many the import into the U.S. Labor shortages are continuing to present production challenges in Idaho, Oregon, and Washington, particularly on heavy volumes of consumer packed onions. 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. While there are rumblings that Mexico and other offshore onion growing regions have larger than normal crops that they will be importing into the U.S. come January, it may not have its usual affect this season. 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. Unfortunately, there does not appear to be any relief in freight costs in the near-term future.

Potatoes:

The potato market continues to move back up on all sizes at the moment, rather than just smaller size potatoes as it previously had been. While we had previously believed this would be a short-term supply situation where the size profile would become more balanced, the Norkotah crop does appear to be remaining on the larger end of the size profile for the foreseeable future. This is causing 80ct and smaller potatoes, as well as #2 potatoes, to get progressively tighter each week. The concern regarding as much as 30% or more of the crop remain alive and well, and we are feeling it already. This is rather uncharted territory as the market usually begins to get plentiful on cartons this time of year as shippers pack heavy retail bags to meet Thanksgiving and holiday demand. Additionally, processors continue to put pressure on the fresh crop as they are offering record prices for bulk product. Growers are then faced with a difficult decision about whether to sell their crop to processors or support the fresh market. The only way the fresh market will keep up, is if returns back to the farms are comparable to what they are being offered. The heat this past summer is still believed to have affected the Burbanks more than the Norkotahs, so we are not very optimistic of relief until likely next year's crop. 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 will continue to see better volume out of Ruskin and Palmetto over the next 10 days, but volume remains lighter than a normal season. We expect to see some volatility in the market through the holidays. We should see much improved quality over the next week as well.
- **Romas Tomatoes: ESCALATED** We will continue to see better volume out of Ruskin and Palmetto over the next 10 days, but volume remains lighter than a normal season. We expect to see some volatility in the market through the holidays. We should see much improved quality over the next week as well.
- **Grape Tomatoes:** Good volume and outstanding quality available.
- **Cherry Tomatoes: ESCALATED** We will see volume and quality improve over the next several weeks.
- **Organic Tomatoes: EXTREME** Supply remains limited.

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.

- **Roma Tomatoes:** **ESCALATED** Markets remain mixed this week despite a bit more volume crossing through Otay and McAllen. Overall quality is very nice on rounds, and we do not anticipate any prorates on contracts currently
- **Grape Tomatoes:** Good volume and quality available.
- **Cherry Tomatoes:** **ESCALATED** Supply remains light this week out of Mexico and quality is mixed. No prorates 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.

APPLES & PEARS

Apples: West coast new crop apples are being packed; however small sizes remain fairly tight. Washington exports a substantial amount to Mexico which has drove the price up over the last few weeks on many varieties. East coast apples are available as well. Market price remains firm on small fruit as local schools take most of the volume.

Pears: This year's pear crop was down significantly, with mostly larger fruit available. Growers are trying to drag out supplies as best as possible until new crop starts next August.