

Weekly Market Review

November 19, 2021

Overview

We are in the final week of transition from Salinas to Yuma and should see full production out of Yuma next week, although most items will be tight going through this process. The avocado market continues to see stronger numbers on mid to smaller sizes and tightened up on larger sized fruit. We anticipate promotable volume to continue in the forecast from this Aventajada crop. Mexico tomato production has flattened out this week on rounds and snacking tomatoes while romas have become severely short. The Florida tomato markets will remain volatile through the Thanksgiving holiday with rounds tightening up this week. Snacking tomatoes remain stable. We recently experienced a rain event in South Florida, and we will continue to observe crops for any damage as some of this shortage is due to this event as well as retail pull for Thanksgiving. South Georgia is wrapping up quickly as we transition fully to Florida by next week. Nogales is opening with squash and cucumber availability as well as chilis and bell peppers crossing over the next 10-14 days and will begin to bring some much-needed relief to the fresh chili market. Transition to the desert is in full swing and we should see improvement on green bells, beans & corn out of Coachella. Again, we will continue to see elevated pricing as the fresh chili 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). Lime market has also tightened up and expected to remain firm through December.

Market Alert

- Avocados – **ESCALATED**
- Bananas – **ESCALATED**
- Bell Peppers (Red) - **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**
- Limes - **ESCALATED**
- Mushrooms - **ESCALATED**
- Pineapples – **ESCALATED**
- Tomatoes (Rounds and Romas) East & West **ESCALATED**

WATCH LIST

- Bell Pepper (yellow)
- Green Onions
- 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

CULICAN, MX:

Thu 11/18	Fri 11/19	Sat 11/20	Sun 11/21	Mon 11/22	Tue 11/23	Wed 11/24
95° 59°F	95° 60°F	96° 60°F	94° 60°F	94° 60°F	92° 60°F	88° 62°F
						
Sunny	Sunny	Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

IMMOKALEE, FL

Thu 11/18	Fri 11/19	Sat 11/20	Sun 11/21	Mon 11/22	Tue 11/23	Wed 11/24
78° 67°F	79° 68°F	83° 67°F	84° 66°F	82° 51°F	69° 44°F	74° 52°F
						
Thunderstorms	Showers	Cloudy	PM Showers	Partly Cloudy	Sunny	Sunny

JALISCO, MX:

Thu 11/18	Fri 11/19	Sat 11/20	Sun 11/21	Mon 11/22	Tue 11/23	Wed 11/24
83° 55°F	86° 56°F	86° 56°F	85° 56°F	85° 56°F	83° 55°F	81° 53°F
						
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Mostly Sunny

OXNARD, CA:

Thu 11/18	Fri 11/19	Sat 11/20	Sun 11/21	Mon 11/22	Tue 11/23	Wed 11/24
62° 53°F	62° 52°F	65° 54°F	76° 58°F	77° 54°F	70° 51°F	69° 52°F
						
Mostly Cloudy	Mostly Cloudy	Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny

SALINAS, CA:

Thu 11/18	Fri 11/19	Sat 11/20	Sun 11/21	Mon 11/22	Tue 11/23	Wed 11/24
63° 49°F	65° 51°F	69° 46°F	74° 49°F	74° 51°F	68° 46°F	69° 46°F
						
Cloudy	Mostly Cloudy	Partly Cloudy	Sunny	Partly Cloudy	Partly Cloudy	Sunny

YUMA, AZ:

Thu 11/18	Fri 11/19	Sat 11/20	Sun 11/21	Mon 11/22	Tue 11/23	Wed 11/24
85° 56°F	84° 54°F	81° 60°F	82° 60°F	82° 58°F	83° 57°F	79° 55°F
						
Partly Cloudy	Partly Cloudy	Mostly Cloudy	Mostly Cloudy	Mostly Cloudy	Partly Cloudy	Sunny

Good Buys

Commodity	Market Update
Grape Tomatoes	Good volume and outstanding quality available.
English Cucumbers	Supply and quality are good.

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: WATCH LIST We expect volumes to increase as we will be reaching peak supply out of Oxnard. Currently, Oxnard is our largest producing area followed by Central Mexico. In Oxnard, plants are showing a strong crop load and with the warm weather received yesterday and expected thru Saturday. We should expect strong volumes next week. Central Mexico is setting up with strong crop load with large size fruit. Cool temperatures have slowed down production in Mexico but is expected to improve.

Blackberries: Supply is slightly lower than expected. Adjustments in Central Mexico regions is causing our supply to fall short of expectations. Central Mexico seems to have cleared the heavy rains and the favorable weather is reassuring the supply peak in early December.

Raspberries: Lower than expected due to yield loss and mild conditions in Central Mexico. California is on a sharp decline, only producing about 13% of overall volume at this point. We are approaching peak volume over the next 2 – 3 weeks, and then volume will decrease into late December.

Blueberries: Mexico production will continue a slow increase each week moving forward. Baja production will continue low and steady for the rest of the year. Peru production continues to increase moving forward.

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: **ESCALATED** We are seeing lighter crossings and fair quality this week. Higher demand is driving prices up and expect a volatile market through the Holidays.

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 look good this week.

Green Leaf: **ESCALATED** Demand is good, and pricing remains slightly stronger.

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. Overall demand is steady, with slightly better movement on Romaine Hearts.

Iceberg Lettuce: **EXTREME** Quality is very good, although the market is very spread out and still in multiple growing areas

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 an improving numbers cross through Nogales this week. Quality is outstanding and we are not expecting any pro-rates on our programs currently.

Red Bell Pepper: **ESCALATED** Tighter supply.

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: **EXTREME** There is very limited supply out of South Georgia this week on long hots, poblano, cubanelle and Jalapeno and will finish this week. Quality is outstanding as ramp up production

out of Florida. 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 are seeing more availability crossing through Nogales which will begin to bring much needed relief over the next 10 days to the market.

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 is done out of South Georgia and fully transitioned to Florida where quality is beautiful, and volume should remain stable through the remainder of the month. In the west, excellent supply out of Nogales and quality out of Mexico is outstanding.

Herbs

Fresh herbs are being managed well this week as supply is steady with a very strong quality. The only herb that is a little short due to logistics is Tarragon.

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** First Guatemalan cantaloupe arrivals hit Pompano Monday night. Mostly larger sizes initially, with a better spread of sizing anticipated by the end of the week arrivals. Due to cooler temperatures experienced in the growing region last week we are anticipating a reduction in arrivals next week but then rebounding the week of 11/29 arrivals.

Honeydew: **ESCALATED** Initial honeydew arrivals from Guatemala are expected to arrive by next Monday into Florida. Sizing is forecasted to be primarily larger sizes (4J/5J) at the start. Mexican crossings have fallen off some with less overall supply. Smaller sizes seem to be dominating what is coming through Nogales right now so anticipate a two-tier market between larger and smaller dewes.

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: High Volume, good quality and low Demand.

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 will be tight with strong demand for the first part of the week to cover above average demand but should ease by later in the week. Fair quality from higher-than-normal insect injury is placing yields and also reducing availability.

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: Supply is expected to be lighter this week.

Celery: Business is lower this week as demand for the holidays eases up. We still have supply out of Salinas, Mexico has started with light volume, and Oxnard has started with increasing supply.

Corn: **ESCALATED** Corn will remain limited out of Florida 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 good, quality remains consistent with sizing and overall appearance.

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 in late summer 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 into the holiday week.

Rapini: Steady supply.

Red Cabbage: Supply is good, and quality remains consistent with sizing and overall appearance.

Snow Peas: Guatemala: Steady/low volume. fair quality, low demand.

Sugar Snap Peas: Low/steady volume, fair quality, steady demand.

Spinach (Bunched): Quality concerns are fringe burn, insect damage and possible mildew.

Spinach (Baby): 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 size profile in the Northwest has become more balanced over the last several weeks. While Super Colossal and Colossals are not plentiful, we are seeing them being filled on orders without any cuts or pro rates. The market continues to stay strong on yellow jumbos and larger, and all sizes of reds and whites. Medium yellows have stayed steady as well. We have seen several multi-unit foodservice accounts switch from Jumbo size to medium size in order to take advantage of the large distinction in price between the two sizes. We also continue to see retailers and restaurants hold firm on accepting only domestic onion supply due to the recall that took place on Mexican grown product. While this has not influenced the current supply situation, after the New Year is generally when we begin to see large quantities of Mexican product cross through South Texas. If this becomes the new standard, we will likely see a lot fewer Mexican onions cross, which should allow domestic product to garner a premium. It is likely that we see a two-tiered pricing structure between imported onions and USA grown product. 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. 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 has leveled off for the time being on all sizes, and size profiles due to appear to be a bit more balanced across the state. We are not seeing any upward or downward movement on any one particular size or grade at the moment. Availability continues to be hit and miss, however, with Thanksgiving production full steam ahead these past few weeks, carton availability has improved some.

The concern regarding as much as 30% or more of the crop remain alive and well, and we are feeling it already. 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 are seeing lighter numbers this week combined with high demand at retail for Thanksgiving pull push markets higher this week. Overall volume will remain lighter than a normal season and 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** Markets took a rather large jump this week due to very light production combined with very high retail demand for Thanksgiving. We expect overall volume will remain lighter than a normal season and feel the market will remain volatile through the holidays. Quality is outstanding and we are not expecting any pro-rates on contracts this week.
- **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 as volume was lighter as there was a National Holiday in Mexico that has production down while seeing very high demand at retail for the Thanksgiving pull. Overall quality is very nice on rounds. We do expect improving markets over the next 10-14 days.
- **Roma Tomatoes: ESCALATED** A National Holiday in Mexico resulted in lighter production this week. This lighter supply and very high demand at retail for the Thanksgiving pull combined with strong pull from the east due to production shortfalls in Florida has driven fob prices substantially higher this week. Overall quality continues to be very nice out of Central Mexico. We do expect improving markets over the next 10-14 days. We do not expect any pro-rates on contracts this week.
- **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.