

Weekly Market Review

November 29, 2021

Overview

Most items will be tight going through this transition and western veg is fully transitioned to Yuma. The avocado market is expected to see a steady level of volume over the next several weeks with strong numbers on mid to smaller sizes while we continue to see a firmer availability of larger sized fruit. We anticipate promotable volume to continue in the forecast from this Aventajada crop. With regards to tomatoes, we continue to see flat production out of Mexico on rounds and romas have become severely short, although there is excellent volume available on snacking tomatoes. The Florida tomato markets will remain volatile through the Thanksgiving holiday with rounds tightening up this week and romas very short. 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 mostly done for the season and Nogales continues to open with squash and cucumber availability as well as chilis and bell peppers beginning to improve over the next week. 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 Pepper (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**
- Lettuce (Green Leaf) – **ESCALATED**
- Lettuce (Iceberg) – **ESCALATED**
- Lettuce (Romaine Hearts & Romaine) – **ESCALATED**
- Limes - **ESCALATED**
- Melon (Cantaloupe & Honeydew) – **ESCALATED**
- Mushrooms - **EXTREME**
- Pineapples – **ESCALATED**
- Spinach - **ESCALATED**
- Tomatoes (Rounds and Romas) East & West - **ESCALATED**

WATCH LIST

- Bell Pepper (Yellow)
- 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:

Tue 11/23	Wed 11/24	Thu 11/25	Fri 11/26	Sat 11/27	Sun 11/28	Mon 11/29	Tue 11/30	Wed 12/1	Thu 12/2
70° 49°F  Mostly Sunny	70° 54°F  Sunny	75° 53°F  Sunny/Wind	73° 53°F  Sunny	72° 53°F  Sunny	70° 53°F  Sunny	69° 53°F  Sunny	69° 55°F  Mostly Sunny	71° 57°F  Mostly Sunny	72° 56°F  Partly Cloudy

CULICAN, MX:

Tue 11/23	Wed 11/24	Thu 11/25	Fri 11/26	Sat 11/27	Sun 11/28	Mon 11/29	Tue 11/30	Wed 12/1	Thu 12/2
96° 59°F  Partly Cloudy	91° 59°F  Sunny	90° 64°F  Mostly Cloudy	85° 66°F  Cloudy	79° 63°F  Showers	90° 61°F  Partly Cloudy	91° 60°F  Partly Cloudy	90° 60°F  Sunny	88° 60°F  Partly Cloudy	90° 59°F  Partly Cloudy

IMMOKALEE, FL

Tue 11/23	Wed 11/24	Thu 11/25	Fri 11/26	Sat 11/27	Sun 11/28	Mon 11/29	Tue 11/30	Wed 12/1	Thu 12/2
70° 51°F  Sunny	76° 57°F  Mostly Sunny	79° 58°F  Mostly Sunny	79° 55°F  Partly Cloudy	75° 47°F  Mostly Sunny	76° 54°F  Mostly Sunny	75° 50°F  Sunny	77° 54°F  Sunny	78° 57°F  Mostly Sunny	79° 61°F  Partly Cloudy

JALISCO, MX:

Tue 11/23	Wed 11/24	Thu 11/25	Fri 11/26	Sat 11/27	Sun 11/28	Mon 11/29	Tue 11/30	Wed 12/1	Thu 12/2
79° 53°F  Mostly Sunny	77° 50°F  Mostly Sunny	78° 53°F  Partly Cloudy	78° 54°F  Mostly Cloudy	77° 54°F  Mostly Cloudy	78° 53°F  Partly Cloudy	79° 53°F  Partly Cloudy	78° 53°F  Partly Cloudy	77° 51°F  Mostly Sunny	78° 50°F  Partly Cloudy

YUMA, AZ:

Tue 11/23	Wed 11/24	Thu 11/25	Fri 11/26	Sat 11/27	Sun 11/28	Mon 11/29	Tue 11/30	Wed 12/1	Thu 12/2
80° 57°F  Mostly Cloudy	76° 58°F  Mostly Sunny	74° 56°F  Sunny/Wind	78° 55°F  Sunny	80° 53°F  Partly Cloudy	80° 55°F  Sunny	81° 55°F  Sunny	82° 58°F  Sunny	83° 56°F  Sunny	82° 57°F  Mostly Sunny

Good Buys

Commodity	Market Update
English Cucumber	Supply and quality are good.
Yellow & Zucchini 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. Quality out of Mexico is outstanding

Fruits & Vegetables

Avocados: **ESCALATED** 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 6os 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: Markets remain mixed out of California with stable storage supply available on all late varieties. Sizing has tightening up on larger sized fruit. Offshore arrivals have begun and available on the east coast.

Berries

Strawberries: Expect volumes to increase the next two weeks. There was warm favorable weather in Oxnard during the latter part of last week which led to fruit ripening faster this week. This resulted in elevated Oxnard volume, above expectations and expected to continue to see strong volumes through next week. Santa Maria experienced a similar pattern with stronger supplies. In Central Mexico, volumes will increase at a slower rate since cool temperatures continue to impact fruit maturation. Florida production should pick up in the next few weeks.

Blackberries: Shortages in California and Mexico are causing supplies to be slightly lower than expected. The California regions are down trending. Cooler days and nights are leading to longer fruit development periods. Central Mexico production is gradually increasing. We expect the Mexico peak week in early December. However, supply is not expected to increase significantly from the current levels.

Raspberries: The Central Mexico regions are currently peaking and will continue driving steady volume through the next couple of weeks. Overall, volume is expected to downtrend into the New Year and pick back up again in January as all producing regions have winter specific applications.

Blueberries: Central Mexico production will continue gradually increasing moving forward. Baja production will continue steady for the rest of the year. Peru production continues to increase moving forward.

California

Citrus

Oranges: Navel 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 strong. Green leaf is fully transitioned to Yuma

Red Leaf: Good volume with good quality, the market is steady. Red leaf is fully transitioned to Yuma

Romaine & Romaine Hearts: **ESCALATED** Romaine and romaine heart production is increasing slightly as we are fully transitioned to Yuma. Quality is improving

Iceberg Lettuce: **ESCALATED** Quality is good, and we are fully transitioned to Yuma

Eastern and Western Vegetables

Green Bell Pepper: Georgia is 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 and we will also see 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 this week available out of California, Mexico, and Canada. Quality remains good. **Market remains firm on choice red.**

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

Mini Sweet Pepper: Improving supply available and quality is outstanding

Mixed Chili Pepper (All Varieties): EXTREME Quality is outstanding as we 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. 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.

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: **ESCALATED** Volume will continue to ramp up at all ports and expect stable supply in two weeks. Sizing is currently peaking on 9's and larger, but this should even out over the next week. Quality on the offshore fruit is outstanding with great flavor and high brix.

Honeydew: **ESCALATED** Initial honeydew arrivals from Guatemala are arriving this week and sizing is forecasted to be primarily larger sizes (4J/5J) and expected to improve over the next week as more fruit arrives. Mexican crossings have fallen off some with less overall supply available.

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

Asparagus: Quality and demand are good, and the market is slightly higher.

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** Demand is backing off as the Thanksgiving pull is over, quality remains good.

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 light this week.

Celery: Business is lower this week as demand for the holidays ease up. Salinas is finished, Mexico has started, and Oxnard should start next week.

Corn: **ESCALATED** Corn will remain limited out of South Georgia Florida as well as Coachella. Quality is mixed, and FOB prices remain 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 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: **EXTREME** 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. Suppliers are pro-rating customer orders up to 50% just to ensure even availability to their customer base. We are recommending our partners to scale back portion sizing and potentially a temporary removal on the item.

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. Quality remains consistent with sizing and overall appearance.

Snow Peas: Guatemala: **WATCH LIST** Steady/low volume, fair quality, and low demand.

Sugar Snap Peas: **WATCH LIST** Steady/low volume, fair quality, and low demand.

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 and quality is good now that we have moved to Yuma

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 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. 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. We had 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 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.