

Weekly Market Review

December 17, 2021

Overview

The avocado market has been active this week, despite steady volume crossing the border, we still see a strong size curve leaning to mid and smaller sizes while we continue to see firmer availability of larger sized fruit. We continue to see stable weather and favorable growing conditions for veg markets. Tomatoes are in great shape with promotable volume available. Eggplant, soft squash & cucumbers are also in great supply with promotable volume available out of South Florida and Mexico. Poblano peppers are escalated while other chili varieties are improving. Lime market is expected to remain firm through the first of the year. The weather in Yuma has been ideal for growing and quality is strong. There have been some icy mornings, no hard freeze, but we could still see light peel in lettuce items.

Market Alert

- Avocados (48's and Larger) – **ESCALATED**
- Bananas – **ESCALATED**
- Brussel Sprouts – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Chili Peppers (Poblanos) – **ESCALATED**
- Corn - **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Grapes - **ESCALATED**
- Lettuce (Romaine Hearts) – **ESCALATED**
- Limes - **ESCALATED**
- Melon (Cantaloupe & Honeydew) – **ESCALATED**
- Mushrooms - **EXTREME**
- Pineapples – **ESCALATED**

WATCH LIST

- Green Onions
- Romaine 24ct
- 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 12/16	Fri 12/17	Sat 12/18	Sun 12/19	Mon 12/20	Tue 12/21	Wed 12/22
57° 44°F	61° 42°F	59° 43°F	57° 44°F	57° 46°F	58° 47°F	56° 47°F
						
Partly Cloudy	Sunny	Sunny	Sunny	Partly Cloudy	Partly Cloudy	Showers

CULICAN, MX:

Thu 12/16	Fri 12/17	Sat 12/18	Sun 12/19	Mon 12/20	Tue 12/21	Wed 12/22
92° 59°F	86° 64°F	88° 57°F	88° 54°F	90° 56°F	92° 57°F	92° 58°F
						
Partly Cloudy	Cloudy	Partly Cloudy	Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny

IMMOKALEE, FL

Thu 12/16	Fri 12/17	Sat 12/18	Sun 12/19	Mon 12/20	Tue 12/21	Wed 12/22
85° 65°F	88° 66°F	87° 65°F	86° 66°F	86° 65°F	80° 57°F	80° 56°F
						
Partly Cloudy	Partly Cloudy	PM Showers	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny

JALISCO, MX:

Thu 12/16	Fri 12/17	Sat 12/18	Sun 12/19	Mon 12/20	Tue 12/21	Wed 12/22
84° 56°F	81° 56°F	82° 56°F	78° 54°F	82° 56°F	84° 56°F	84° 56°F
						
Partly Cloudy	Partly Cloudy	Mostly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny

YUMA, AZ:

Thu 12/16	Fri 12/17	Sat 12/18	Sun 12/19	Mon 12/20	Tue 12/21	Wed 12/22
66° 46°F	67° 46°F	66° 41°F	68° 41°F	69° 43°F	70° 47°F	67° 49°F
						
Sunny	Partly Cloudy	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Mostly Cloudy

Good Buys

Commodity	Market Update	Expert Tip
Green Beans	Good supply available this week out of South Florida as well as crossing through Nogales.	Make a simple side dish with lemons, shallots, and green beans. Trim the beans and place them on a large baking sheet with a drizzle of olive oil and put into the oven. Add garlic, shallots and lemon juice and coat roasted beans, then sprinkle with parmesan and enjoy!

Fruits & Vegetables

Avocados: ESCALATED (48's and Larger) Market pricing remains steady this week and crossings are expected to be the same. Larger sized fruit remains light on supply, but strong to 70s and smaller. Flavor profile and oil content is normal for this time of year and will improve as the season progresses. We are beginning to see a shift in the size curve to larger fruit, prices will firm up on smaller sized fruit as we approach the Christmas Holiday. Overall demand remains strong in foodservice while retail dips pre-Christmas and New Year's pull. **Jalisco Update:** There has been substantial progress for Jalisco avocados for the US, and we may see them in the market by Spring of 2022. The Mendez (Summer Hass Variety) crop is Late-April/May thru Early-August, and the Main season is September thru February. We expect more plantings at higher elevations and will likely start to see a year-round supply from Jalisco within the next several years. We will keep you posted as we receive more information regarding this new growing region as we receive form our grower partners.

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 for this time of year, we are experiencing a higher cost to go to market. Quality and taste profile are great.

Grapes: ESCALATED Grape market will be demand exceeds, minimal inventory available well into January until the Peru and Chilean grape imports ramp up. The total CA grape inventory at the end of November is lower than last year's inventory. The red inventory is down 86% of this critical shortfall. Making the problem worse is the fact that Peru has sent mostly Green Seedless grapes as the CA red seedless grapes have shipped into January at lower prices in the past impacting Peru's returns on Red Seedless grapes.

Berries

Strawberries: We expect overall volume to decrease next week due to forecasted rain. The weather forecast calls for upwards of 2" of rain in Santa Maria and Oxnard next week. The rain will occur in two events, one at the start of the week, and one later next week. Florida and Mexico volume continues to increase and is projected to continue to do so in the coming weeks, however their upticks will not be sufficient to offset the decreases out of California next week.

Blackberries: Lower volume than expected this week due to cool temperatures. We expect volume in the weeks ahead to remain stable. Mexico will be responsible for most of our supply.

Raspberries: Volume will remain low as we approach the end of the year. Thereafter, volume is expected to increase each week as new plantings approach their peak at the beginning of the year. Production volume will be primarily out of Mexico.

Blueberries: Central Mexico production expected to continue to increase moving forward. Baja production will continue with low steady volume for the rest of the year. Peru production will continue to be steady for the next few weeks. Quality is good.

California

Citrus

Oranges: Navels are in full swing with plenty of small fruit available, mostly fancy grade. Recent rain has delayed harvesting in most areas.

Lemons: District 3 lemons have started, and quality is looking good. Mexican lemons will be available for the next few weeks as well.

Limes: ESCALATED We will remain firm due to quality, and we do not anticipate any changes through the first of the year.

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: Import clementines/mandarins are available.

West Coast Lettuce

Butter Lettuce: Overall volume and quality are good.

Green Leaf: Production is good, and quality good with a good green color, good texture, but lower in weight. Demand is good, and pricing is steady.

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

Romaine – WATCH LIST & Romaine Hearts – ESCALATED: Romaine and romaine heart supply is beginning to decrease. We are experiencing some quality issues at the field level ultimately reducing yields. Overall demand is steady, with slightly better movement on romaine hearts. The market is down slightly, although pricing is still escalated.

Iceberg Lettuce: Quality is very good with steady volume and good supply.

Eastern and Western Vegetables

Green Bell Pepper: Great supply out of Florida, as well as Mexico, on all sizes and packs. Quality is outstanding

Red Bell Pepper: Canada is now done for the season. There is good supply crossing through Texas and should ramp up out of Nogales this week. We are seeing good supply of reds and suntan's out of South Florida. Quality remains good.

Yellow Bell Pepper: Canada is done for the season while supply crossing through Nogales and Texas are improving. Quality is very nice.

Mini Sweet Pepper: Improving supply available and quality is outstanding

Mixed Chili Pepper (Poblano): ESCALATED Quality is outstanding as we ramp up production out of Florida. In McAllen, supply will remain tight on Poblanos while we are seeing a tremendous improvement on availability on all other varieties. Good supply also available crossing through Nogales.

Eggplant: Excellent supply available out of South Florida as well as crossing through Nogales. Quality is very nice.

Slicer Cucumbers: Good supply available out of Florida, Nogales, and McAllen.

English Cucumbers: Supply and quality are good.

Pickles: Good supply available out of Florida and Mexico crossing through Nogales. Quality is very nice.

Green Beans: Good supply available this week out of South Florida as well as crossing through Nogales.

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

Zucchini/Yellow Squash: Excellent supply available out of Florida as well as Nogales. Quality is outstanding

Herbs

Cooler temps mean that the heavy harvested herbs (rosemary, thyme, and sage) will be limited in supply the first two weeks of January as the plants will take longer to recover from the heavy harvest.

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 Cantaloupe production has peaked for the first cycle with strong arrivals over the past two weeks. Guatemalan supply will begin to taper off from the Zacapa Valley (primary growing region) as we move through the holidays. With inventory building up this week, we anticipate pricing to remain consistent through next week ahead of Christmas. Current production is seeing a very nice spread of sizing with jumbo fruit through 15s being available this week. Quality has remained at a very high level as it has been since we started four weeks ago. Melons are firm to hard with good shell color while maintaining very high consistent brix levels and flavor profile continues to be outstanding.

Honeydew: ESCALATED Honeydew production remains in an almost demand exceeds supply scenario. Supply has been very limited allowing for us to exclusively cover contractual commitments. Sizing has been mostly larger fruit (5s and larger), but we will begin seeing smaller quantities of 6s making their way in finally. Flexibility of sizing may be required at time of loading dependent upon availability.

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

Mixed Vegetables

Artichokes: Good supply available although 30's are light. Quality is excellent and prices are steady on all sizes.

Arugula: Supply and quality are good.

Asparagus: Marginal quality from Peru, rain in Mexico and increased demand for the holidays has the market on the upswing.

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

Broccoli/Broccoli Florets: ESCALATED Supply and quality are good.

Brussels Sprouts: ESCALATED Volume remains low for the coming week, but we should see relatively improved numbers compared to recent weeks. Holiday demand is strong, and the market is advancing. Quality and yields have improved, but still plan for slightly reduced fill rates.

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 plentiful for the next two weeks.

Celery: Lighter supply and quality is good, and the market is better. Mexico and Oxnard have started.

Corn: **ESCALATED** Corn will remain limited out of Florida, some light crossings through Nogales were available this week. Quality is mixed, and FOB prices remain high and do not expect to see any relief until mid-January.

Cilantro: Cilantro volume is expected to be on steady this week. Overall quality is very nice.

Fennel: Supply remains very snug.

Garlic: **EXTREME** Garlic supply for domestic supply is also very tight. Shippers are holding to averages but we expect this volatile market to continue through next summer.

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 and the market remains active as we get through the holidays. The market will continue to be strong through the first of the year.

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.

Rapini: Still very snug.

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

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

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

Spinach (Bunched & Baby): Supply and quality are fair this week.

Spring Mix: Supply and quality are fair this week.

Sweet Potatoes and Yams: New crop cured is in full swing with heavy shipments over the holidays. Growing conditions were optimal for this year's crop out of North Carolina. Expect good supply with a wide size variety.

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. Generally speaking, we begin to see the market take another increase this time of year and into the New Year. All signs are pointing to that taking place again as demand has picked up, and as growers get further into their storages, they continue to realize just how short their supply situation is. Typically, Mexican onions begin crossing in January, and depending on what type of quality and volumes cross, can drastically change the supply situation, and pressure pricing down. However, most multi-unit foodservice chains will not allow any Mexican onions in their supply chain due to the Mexican onion recall that took place in the last few months. As a result of that, we do not anticipate the Mexican product will provide much downward pressure this season on the domestic onion supply. Red onion supply is expected to be much shorter than yellows as we will not see an influx of new red supply until we get to California in May. Labor shortages are continuing to present production challenges in Idaho, Oregon, and Washington, particularly on heavy volumes of consumer packed onions. 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 stabilized on all sizes at the moment. It appears to be a bit of a mixed profile depending on the different growers around the state. Some are in a larger size profile, whereas some are heavier to smaller potatoes. Overall, the market has remained relatively 'flat' in terms of pricing this month and we expect it to remain this way next two weeks over the holidays. Once we get into the New Year and Norkotah supply begins to dwindle, we anticipate the market will take another increase. Heightened processor demand continues 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:** In Florida, we are seeing optimal growing conditions and volume is continues to improve. Overall quality is very nice on rounds.

- **Romas Tomatoes:** In Florida we are seeing optimal growing conditions and volume is continues to improve. Overall quality is very nice on romas.
- **Cherry Tomatoes:** Good supply and excellent quality are available.
- **Organic Tomatoes:** **WATCH LIST** Stable supply available but sizing is on the smaller side. Organic grape tomatoes will remain short this week.

Mexico

- **Round Tomatoes:** Good supply and quality available crossing through all borders.
- **Roma Tomatoes:** Good supply and quality available crossing through all borders.
- **Grape Tomatoes:** Good volume and quality available crossing through Nogales and McAllen.
- **Cherry Tomatoes:** Good volume and quality available.

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 supply as best as possible until new crop starts next August.