

Weekly Market Review

December 22, 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 with firmer availability of larger sized fruit. In veg, we continue to see stable weather and favorable growing conditions that have helped the entire category along. Tomato markets are in great shape with promotable volume available, and eggplant, soft squash and cucumbers are also in great supply with promotable volume available out of South Florida and Mexico. Poblano peppers are escalated while of the other chili varieties are improving. Lime market is tight and expected to remain firm through the first of the year. We are hearing potential delays at the border due to the holiday ramping up early in Mexico which may result in shortages of logistics options and harvest crews throughout Mexico (potential issue through January 1). There have been a few mornings of lettuce ice and although this has not been a hard freeze, we could still see some cosmetic issues in some items.

Market Alert

- Avocados (48's and Larger) – **ESCALATED**
- Bananas – **ESCALATED**
- Brussel Sprouts – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Chili Peppers (Poblanos) – **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Grapes - **ESCALATED**
- Limes - **ESCALATED**
- Mushrooms - **EXTREME**
- Pineapple – **ESCALATED**

WATCH LIST

- Green Onions
- 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:

Wed 12/22	Thu 12/23	Fri 12/24	Sat 12/25	Sun 12/26	Mon 12/27	Tue 12/28	Wed 12/29
61° 53°F	58° 53°F	57° 48°F	55° 42°F	55° 43°F	54° 43°F	52° 43°F	53° 45°F
							
Cloudy	Rain	Showers	Showers	Partly Cloudy	Partly Cloudy	Partly Cloudy	Showers

CULICAN, MX:

Wed 12/22	Thu 12/23	Fri 12/24	Sat 12/25	Sun 12/26	Mon 12/27	Tue 12/28	Wed 12/29
89° 53°F	90° 54°F	90° 55°F	90° 56°F	89° 56°F	87° 56°F	86° 58°F	84° 57°F
							
Partly Cloudy	Partly Cloudy	Mostly Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy

IMMOKALEE, FL

Wed 12/22	Thu 12/23	Fri 12/24	Sat 12/25	Sun 12/26	Mon 12/27	Tue 12/28	Wed 12/29
73° 45°F	75° 48°F	79° 50°F	81° 53°F	82° 55°F	84° 60°F	86° 62°F	86° 62°F
							
Partly Cloudy	Sunny	Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Sunny

JALISCO, MX:

Wed 12/22	Thu 12/23	Fri 12/24	Sat 12/25	Sun 12/26	Mon 12/27	Tue 12/28	Wed 12/29
82° 52°F	84° 53°F	82° 53°F	83° 52°F	81° 51°F	80° 52°F	80° 50°F	79° 50°F
							
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Partly Cloudy

YUMA, AZ:

Wed 12/22	Thu 12/23	Fri 12/24	Sat 12/25	Sun 12/26	Mon 12/27	Tue 12/28	Wed 12/29
74° 53°F	78° 56°F	71° 58°F	68° 51°F	68° 46°F	66° 45°F	65° 46°F	66° 47°F
							
Cloudy	Partly Cloudy	Mostly Cloudy	Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

Good Buys

Commodity	Market Update	Expert Tip
Green Bell Peppers	Great supply out of Florida as well as Mexico on all sizes and packs. Quality is outstanding	Stuffed bell peppers are the perfect comfort food on a cold winter day. What is great about this dish, is that you can fill peppers with anything you want! From shredded chicken to brown rice, zucchini, corn or beans, you can really make stuffed peppers any type of style!

Fruits & Vegetables

Avocados: ESCALATED (48's and Larger) Market pricing remains mostly steady this week and crossings are expected to be the same through the second week of the month. Larger sized fruit remains light on

supply, but stable on 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 are firming up on smaller sized fruit as well. 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 from 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 In general, fruit is delayed compared first estimates, this week we will have volume on Sugraone and Thompson for NA market. First early reds projected for week 52 (Timco). Domestically speaking, most good quality red, green, and black seedless remain committed to major retail programs, few shipments with condition being kept close to home. Market continue in a demand exceeds supply for the next 2-3 weeks until the Peru and Chilean grape imports ramp up.

Berries

Strawberries: We expect steady supply in the weeks ahead, despite unfavorable weather being received throughout California. Warm weather in Florida has accelerated fruit production, resulting in strong production volumes. Mexico continues to increase gradually with favorable fruit size and quality. Our volume will be primarily out of Mexico and Florida going forward, until mid-January when we expect California spring production to begin.

Blackberries: Supply is tracking slightly lower than expected but similar to last week's production. Rain events disrupted production in the California regions, and we expect the cold temperatures to slow down the supply. Central Mexico is in a transition period between the early and mid-season varieties. We expect supply to remain stable during the next 3-4 weeks due to the transition.

Raspberries: Overall supply is lighter this week due to unfavorable weather in California, and low temperatures in Mexico delaying fruit ripening. We expect our supply next week to remain flat, with a gradual increase thereafter. Supply is also expected to pick up near the end of January.

Blueberries: Central Mexico production expected to continue increasing slowly for the end of the year. Baja production continues with low steady volume for the rest of the year. Peru production will continue with high steady volume moving forward.

California

Citrus

Oranges: Navels are in full swing. Plenty of small fruit available, mostly fancy grade.

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 Market is steady, pricing is ticking back up as demand increases for holiday pull in the foodservice sector. We are also hearing of delays shipping from the growing regions as well as border delays causing shortages of product. This will be mainly due to the holiday ramping up in Mexico earlier in the week.

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: Domestic clementines, tangerines, bloods and cara caras are available in good supply.

West Coast Lettuce

Butter Lettuce: Overall volume and quality are good.

Green Leaf: Production is good, and quality is also 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: Good quality and supply. We are seeing some light peel from the frost we have experienced the last week, but overall quality remains very nice. Market is lower.

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, 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 where markets are firm on Cubanelles, Long Hots and Poblanos. 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: Strong availability continues leading into Christmas, but we will begin to see a significant decrease in arrivals beginning next week. First cycle production peaked the past three weeks causing the market to settle downward. Quality remains some of the best early fruit we have ever seen. The fruit has been strong with good netting while internal quality has shown consistently higher brix levels with excellent flavor.

Honeydew: We are finally starting to turn the corner on the dews this week as arrivals will pick up a good amount from where they have been. Demand has been very strong and, combined with shortened Mexican production, the market has been very close to a demand exceeds supply situation. New arrivals will afford us the opportunity to be able to ship a good spread of sizing covering all orders as needed. Quality on the fruit has been good with brix levels maintaining a range of 12-15%.

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

Mixed Vegetables

Artichokes: Lighter supply available this week. Volume is spread pretty evenly across 12's, 18's and 24's and we expect to harvest only 4 days this week. Quality is excellent and we expect volume to decline the next several weeks. Prices are higher on some sizes.

Arugula: Supply and quality are good.

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

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

Broccoli/Broccoli Florets: Supply and quality are good.

Brussels Sprouts: Quality is good, and volume has improved for the coming week and open market demand remains strong.

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 decreasing as cold weather has slowed growth in the fields. Market is slightly stronger although there is still product available.

Celery: Good quality with steady supply, market is steady.

Corn: Stable supply and low demand have driven prices down this week out of Florida as well as crossing through Nogales. There is still a wide range in quality but that should stabilize as volume on newer blocks ramp up.

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

Fennel: Supply remains very snug, and sizing is still on the smaller side.

Garlic: **EXTREME** 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 as labor remains short until after the holiday.

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: Supply remains snug and colder weather has slowed growth down. We expect the market to remain strong.

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 good 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 these last few months. Because of that, we do not anticipate the Mexican product will provide much downward pressure this season on the domestic onion supply. In fact, we may see it further move upward because of this. Red onion supply is expected to be much shorter than yellows as we really 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. We anticipate that will remain the cast for the 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.