

Weekly Market Review

December 29, 2021

Overview

We continue to see the avocado market remain very active this week and expect this to remain the case through most of January. In veg, we see stable weather and favorable growing conditions that have helped the entire category along. Tomato markets are up a bit this week due to the holiday schedule, but still see promotable volume available, and eggplant, soft squash and cucumbers are also in great supply with promotable volume available out of South Florida and Mexico. Good volume and quality available on hot pepper as well. The lime market will remain extremely short, particularly on 175's and 200's. We expect the lime market to remain firm through January at the very least as going delays at the border due to the holiday are further complicating an already strained market.

Market Alert

- Avocados – **ESCALATED**
- Bananas – **ESCALATED**
- Brussel Sprouts – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cauliflower - **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Grapes - **ESCALATED**
- Limes (175-200's very short) - **EXTREME**
- 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 12/29	Thu 12/30	Fri 12/31	Sat 1/1	Sun 1/2	Mon 1/3	Tue 1/4	Wed 1/5
54° 48°F	56° 44°F	56° 40°F	57° 41°F	57° 42°F	55° 43°F	55° 45°F	57° 47°F
 Rain	 Partly Cloudy	 Sunny	 Sunny	 Sunny	 Mostly Sunny	 Partly Cloudy	 Partly Cloudy

CULICAN, MX:

Wed 12/29 78° 60°F  PM Showers	Thu 12/30 83° 62°F  Mostly Cloudy	Fri 12/31 78° 57°F  Showers	Sat 1/1 82° 49°F  Partly Cloudy	Sun 1/2 84° 49°F  Sunny	Mon 1/3 86° 52°F  Sunny	Tue 1/4 89° 52°F  Mostly Sunny	Wed 1/5 87° 52°F  Sunny
--	---	---	---	---	---	---	---

IMMOKALEE, FL

Wed 12/29 87° 62°F  Mostly Sunny	Thu 12/30 88° 64°F  Partly Cloudy	Fri 12/31 89° 63°F  Partly Cloudy	Sat 1/1 89° 65°F  Sunny	Sun 1/2 87° 59°F  Mostly Sunny	Mon 1/3 77° 56°F  Mostly Sunny	Tue 1/4 81° 57°F  Mostly Sunny	Wed 1/5 81° 58°F  Mostly Sunny
--	---	---	---	--	--	---	--

JALISCO, MX:

Wed 12/29 76° 50°F  Partly Cloudy	Thu 12/30 79° 50°F  Mostly Sunny	Fri 12/31 78° 50°F  Sunny	Sat 1/1 78° 49°F  Sunny	Sun 1/2 81° 53°F  Sunny	Mon 1/3 82° 53°F  Sunny	Tue 1/4 84° 53°F  Sunny	Wed 1/5 83° 52°F  Sunny
---	--	---	---	---	---	--	---

YUMA, AZ:

Wed 12/29 64° 49°F  Mostly Sunny	Thu 12/30 65° 52°F  Showers	Fri 12/31 64° 44°F  Mostly Sunny	Sat 1/1 57° 37°F  Sunny	Sun 1/2 60° 39°F  Sunny	Mon 1/3 62° 39°F  Partly Cloudy	Tue 1/4 65° 42°F  Partly Cloudy	Wed 1/5 66° 44°F  Partly Cloudy
---	--	---	--	--	--	---	--

Good Buys

Commodity	Market Update	Expert Tip
Grape Tomatoes	Good volume and quality availability.	The tomato and feta pasta dish is definitely still circulating, and we insist on you trying it! Put grape tomatoes in a baking dish, with a block of feta in the middle. Add salt, pepper, and a drizzle of olive oil and then bake. Add this gooey mixture to any cooked pasta and enjoy this dish on any weeknight!

Fruits & Vegetables

Avocados: ESCALATED Market pricing is ticking up this week as high demand continues for the holidays. We are also seeing much higher field pricing in Mexico for many reasons including harvest crews being away for the holidays and a continues increase in global demand. Overall quality is outstanding with flavor profile and oil content at expectation for this time of year, we should see this improve as the season progresses. 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.

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 Sagraone 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 the next 3-4 weeks. Central Mexico continues to increase week by week with large size fruit and great fruit quality.

Blackberries: Slightly lower volume and we expect supply to remain stable out of central Mexico, while California supply will be lower due to rain events and cold weather.

Raspberries: The next couple weeks will be the lowest volume after the peak of autumn production. Volume will increase slightly thereafter, with larger increases starting the second half of January.

Blueberries: Central Mexico production will continue to increase moving forward. Baja production continues with low steady volume, expecting to start increasing by January. Peru production will continue with high steady volume for the next few weeks, until mid-January when it will start its decrease.

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: EXTREME Market is quite active this week, particularly on 175's and 200's. Increased demand for the holidays in the foodservice sector combined with a lack of harvest crews due to the holidays and quality issues at the field level continue to drive prices higher this week. Currently, we are not seeing any major shortages on contracts but its critical we be flexible on sizes to maintain service levels through this market challenge.

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 is good, and the market is slightly stronger.

Green Leaf: Good quality and good supply, market is steady.

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

Romaine and Romaine Hearts: We have experienced some cool nighttime temps with some frost setting in causing some peel overall quality is good with good supply.

Iceberg Lettuce: No change from last week as quality has been very good and will continue into next week. There have been some harvest delays due to ice in the mornings and we may see a few cosmetic issues. Market is forecasted to stay steady at current levels.

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: Good supply crossing through Texas and should ramp up out of Nogales this week. We are seeing good supply of reds and Suntans 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: Quality is outstanding as we ramp up production out of Florida where markets were steady on Cubanellas, Hungarian Wax, Long Hots, Jalapeno and Poblanos. In McAllen and Nogales, steady crossings will continue on all varieties.

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: Demand slowing over the holiday week, combined with a severe shortage of trucks, has caused the market to settle some. We have seen a shift of sizing away from jumbo fruit to a good spread of 9/12/15s. New arrivals have started to decrease this week and will continue to do so over the next few weeks after peaking during the first three weeks of December. Harvests will move away from the Zacapa Valley of Guatemala into secondary areas of Guatemala and/or Honduras for the next two months. Quality remains consistently good on the cantaloupes with strong external quality with excellent internal characteristics as brix levels remain mostly in the 12-14% range with good flavor.

Honeydew: The update on honeydews continues to sound like a broken record. Since early August the honeydew situation has never straightened itself out. Import honeydews are very limited with larger fruit all of a sudden showing more 6/8s but demand still exceeds supply. Quality has been good especially with the internal quality.

Watermelon: Lighter supply available this week crossing through Nogales and demand is up. Quality is good and FOB prices up this week.

Mixed Vegetables

Artichokes: Extremely light supply.

Arugula: Supply and quality are good.

Asparagus: Incoming supply remains light, market is steady.

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

Broccoli/Broccoli Florets: Quality is good, but supply is lighter. Market steady to slightly stronger.

Brussels Sprouts: Quality is good, and open market demand remains strong. Due to heavy rain in Northern California, some shippers in Salinas area have finished for the season. In addition, the cool weather in Mexico has supply coming in slower than expected so we expect strong market to continue.

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: **ESCALATED** Supply is expected to be lighter than normal for the next two weeks.

Celery: Lighter supply, quality is good, and the market is better.

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 extremely tight.

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** Supply is lighter due to labor shortages cause by the Christmas holiday this week. Also, colder weather is slowing the crop down. We will see snug supply for the next two weeks. Quality is still good.

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 lighter than normal for the next two weeks.

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 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 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 case until at least next week and may largely depend on weather conditions in the Pacific Northwest. Cold temps may prohibit growers being able to dig without risking freeze damage, and road closures may continue to curtail movement. Much as they have these past two weeks. Assuming we can get back to a more 'regular' shipping pattern, 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.
- **Grape Tomatoes:** Good volume and quality availability.
- **Organic Tomatoes:** Stable supply available but sizing is on the smaller side.

Mexico

- **Round Tomatoes:** Good supply tightened up a bit this week and FOB prices were higher. We continue to see excellent quality available crossing through all borders.
- **Roma Tomatoes:** Good supply tightened up a bit this week and FOB prices were higher. We continue to see excellent 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.