

Weekly Market Review

January 13, 2022

Overview

In the dry veg category growing regions we are seeing lighter volume due to cooler weather, although we should see this turn around once the temperatures rise. Tomato markets remain firm this week due to lighter volume and cooler weather in the east while transition is taking place in the west. Cucumbers out of Florida are now done and we will see Honduran product ramp up but noticing delays in the supply chain due to labor issues at the ports, overall quality will improve. The lime market is extreme because of strong demand and extremely light volume. We expect pricing to be at record highs and a potential Force Majeure enacted if conditions do not improve. We are expecting pro rates if we cannot secure enough fruit at the border for contracts. It's imperative that we remain flexible on sizes to maintain service levels through this market and consider scaling back on portions, removing temporarily, or even subbing to lime juice or fresh lemon where possible. Grapes from Chile are very short as the season is late getting started and space on vessel lines are limited.

Market Alert

- Avocados – **ESCALATED**
- Bananas – **ESCALATED**
- Bell Pepper Green (East) - **ESCALATED**
- Brussel Sprouts – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cauliflower – **ESCALATED**
- Cilantro – **ESCALATED**
- Cucumbers (East) - **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Grapes – **EXTREME**
- Green Onions - **ESCALATED**
- Limes - **EXTREME**
- Mushrooms - **EXTREME**
- Pineapple – **ESCALATED**
- Romaine Hearts- **ESCALATED**
- Zucchini & Yellow Squash (East) - **ESCALATED**

WATCH LIST

- 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.

Weather

OXNARD, CA:

Thu 1/13	Fri 1/14	Sat 1/15	Sun 1/16	Mon 1/17	Tue 1/18	Wed 1/19
65° 49°F	67° 58°F	71° 52°F	71° 49°F	65° 48°F	63° 47°F	63° 50°F
						
Cloudy	Mostly Cloudy	Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny	Mostly Sunny

CULICAN, MX:

Thu 1/13	Fri 1/14	Sat 1/15	Sun 1/16	Mon 1/17	Tue 1/18	Wed 1/19
95° 57°F	92° 58°F	88° 58°F	88° 57°F	88° 57°F	89° 56°F	89° 58°F
						
Mostly Sunny	Sunny	Mostly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

IMMOKALEE, FL

Thu 1/13	Fri 1/14	Sat 1/15	Sun 1/16	Mon 1/17	Tue 1/18	Wed 1/19
77° 49°F	75° 41°F	77° 55°F	78° 54°F	70° 43°F	68° 41°F	77° 52°F
						
AM Showers	Sunny	Sunny	PM Rain/Wind	Partly Cloudy	Sunny	Mostly Sunny

JALISCO, MX:

Thu 1/13	Fri 1/14	Sat 1/15	Sun 1/16	Mon 1/17	Tue 1/18	Wed 1/19
87° 55°F	83° 52°F	80° 53°F	79° 53°F	78° 52°F	79° 53°F	80° 53°F
						
Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

YUMA, AZ:

Thu 1/13	Fri 1/14	Sat 1/15	Sun 1/16	Mon 1/17	Tue 1/18	Wed 1/19
75° 54°F	78° 57°F	73° 51°F	74° 48°F	74° 48°F	75° 47°F	75° 49°F
						
Partly Cloudy	Partly Cloudy	Mostly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny	Partly Cloudy

Good Buys

Commodity	Market Update	Expert Tip
Roma Tomatoes	We continue to see excellent quality.	A rich roasted tomato soup is perfect for those cooler winter nights. Cut roma tomatoes in half and roast them with some olive oil, and salt and pepper, also mix in garlic, and ½ of an onion. Once everything is tender, add to a blender and puree, then add it to a pot with water, chicken stock and some herbs. Enjoy!

Fruits & Vegetables

Avocados: **ESCALATED** Market pricing continues to rise, and demand remains strong, we expect firm markets as growers are demanding higher field prices in Mexico for many reasons including higher labor costs, logistics challenges from the farm to the border and packaging. Overall quality is outstanding with

flavor profile and oil content as expected 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 regular 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: **EXTREME** We are currently in a demand exceeds supply situation on table grapes and expect this to continue for at least the next 3-4 weeks. The biggest issue at this time is delays at the port and cancelations made by vessel lines. In addition to the delays, the new growing areas in Chile will start harvest later this week, and Central Chile over the next few weeks, with an additional 14-16 days on the vessel (when there is space available). It will be very difficult to anticipate when this situation will improve, until the season gets started, and product gets on the vessels.

Berries

Strawberries: We expect volumes to remain steady for the next several weeks. Florida continues to produce strong volumes and Central Mexico production continues to increase each week. California has received rainfall throughout the week impacting their production potential. The extra volume out of Florida has helped offset the shortfalls out of Oxnard. Central Mexico continues to increase week by week with large sized fruit and great quality.

Blackberries: Steady supply through January. We are entering the transition period between the early and mid-part of the central Mexico season. The transition will keep the volume steady. California regions will contribute minimal volume due to the rain and cold temperatures expected through the next couple of weeks.

Raspberries: Supply is low due to cool temperatures throughout all growing regions, as well as rains in California. It is our expectation in the coming weeks, we will see supply improve as Central Mexico and Baja production volume improves. California supply will remain relatively low throughout the next several months.

Blueberries: Central Mexico production will continue increasing moving forward, the risk of freeze continues for the next few weeks. Baja production continues with steady volume, expecting to start increasing moving forward. Peru production will continue with high steady volume for the next few weeks, until mid-January, when will start decreasing.

California

Citrus

Oranges: Rain has caused packing issues in the central valley, 88s and smaller are tight.

Lemons: Are in full swing, quality has been good.

Limes: EXTREME We continue to see strong demand and dangerously light volume on all lime sizes that will continue to strain the lime supply. We expect pricing to increase daily with a possible Force Majeure enacted should conditions not improve. We are at risk of seeing major pro-rates if we cannot secure enough fruit at the border for contracts based on the logistics issues and record low volume for this time of year in Mexico. It's imperative that we remain flexible on sizes to maintain service levels through this market and consider scaling back on portions, removing temporarily, or even subbing to lime juice or fresh lemon where possible.

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, market is steady.

Green Leaf: Quality in the desert is good. Demand is good, and pricing remains steady.

Red Leaf: Quality is good although there is some light peel from the current frost. Supply is lighter with some shippers sold out for through the weekend.

Romaine and Romaine Hearts: ESCALATED Romaine and romaine heart production supply is lower. We are experiencing some quality issues at the field level ultimately reducing yields but improving. 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, but the overall demand is steady. Markets are increasing with romaine heart pricing escalated.

Iceberg Lettuce: Supply is steady, and the weather is expected to be better this week. Quality has been very good, and weights are steady to slightly higher. The market has been steady although we anticipate better activity this week with slightly higher prices.

Eastern and Western Vegetables

Green Bell Pepper: ESCALATED (East) Lighter supply out of Florida due to transition from the fall to winter crop. We should see volume ramp up on all sizes over the next week. In Mexico, cooler weather has slowed down production but do not expect shortages on our sizing and packs. Quality is outstanding on the newer product fruit.

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: Supply is lighter this week out of Florida due to cooler weather and should turn that corner once we see consistency in the warmer days. Excellent supply crossing through Nogales and quality is very nice.

Slicer Cucumbers: **ESCALATED (East)** Florida is done for the season, and the import programs are ramping up but have seen delays receiving them at the ports due to labor shortages and logistics issues. First arrivals may have some quality issues being their unloading schedules have been delayed, this should improve over the next week as more volume arrives at the port. In the west, we are seeing good production available out Nogales, and McAllen.

English Cucumbers: Supply remains strong crossing through Nogales.

Pickles: Good supply available out Mexico crossing through Nogales and quality is very nice.

Green Beans: Lighter supply this week out of Florida and quality is not as snappy as pre-holiday. Mostly due to rain but expected to improve as weather improves. We are seeing the same issues crossing through Nogales but expect improvement over the next 7-10 days.

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

Zucchini/Yellow Squash: **EASCALATED (East)** Tighter supply is available this week out of Florida due to weather related production issues. We do expect improving conditions out of Immokalee over the next 10 days. Mexico is also seeing lighter numbers mostly due to cooler weather. We should see this turn around as temperatures warm back up. Quality is outstanding on zucchini and fair on yellow with moderate scarring and scuff.

Herbs

Tarragon and rosemary continue to be short in supply as we start the new year and should continue for the next several weeks.

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: A significant shift in sizing has been realized over the past week as jumbo fruit has all but disappeared. Good availability currently on 9/12/15s in Florida with strong retail promotions on 9/12s. Market has continued to settle following the two-week holiday period where truck availability was horrendous. Lighter arrivals are anticipated beginning next week and continuing for a few weeks. Quality continues to be very good although a slight decrease on the lower end of brix levels has been realized as some cooler weather hit the growing region prior to Christmas. Average brix levels are now ranging from 11-14%.

Honeydew: Honeydews continue to be in a very limited position overall. New production will lean heavier to larger sizes (5/5Js) which will limit the 6/8 availability over the next week. Very little inventory has been able to be sold on the open market as contract business has been consuming the majority of arrivals. Quality from the new growing region has been outstanding with clean external quality while brix levels remain consistently in the 12-14% range.

Watermelon: Lighter supply continues this week crossing through Nogales and demand is up. Quality is good and FOB prices up this week and offshore supply limited on cartons out of South Florida.

Mixed Vegetables

Artichokes: Artichokes will have frost damage from recent weather impacts. This is not unusual for this time of year as cold nighttime temperatures will affect the artichokes still on the plants. Some of the frost areas will turn brown over the next few days after packing creating some additional discoloration as well. In addition, there will be a 2-week gap coming at the end of January so expect short supply to continue.

Arugula: Supply and quality are fair.

Asparagus: Supply from Peru is steady but still light on the west coast. The season from Mexico is going to get started soon so we will see supply increase from the west coast over the next few weeks.

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

Broccoli/Broccoli Florets: Supply is good this week.

Brussels Sprouts: Production is on track, but demand continues to outpace supply. Expect the open market to stay strong for the bulk 25lb pack. Next week should bring some volume relief as production in Mexico is scheduled to commence the week of 1/17. Quality is 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: **ESCALATED** Supply is expected to be lighter than normal for the next two weeks.

Cilantro: **ESCALATED** Overall quality is very nice, supply is tight, and market is higher.

Corn: Supply has tightened back up and fob prices have ticked up over the past week out of Florida as well as crossing through Nogales. Quality is marginal.

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

Fennel: Supply continues to be light and look to be this way throughout the Yuma season. Holding to strict averages.

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 tight for the next two weeks from on the west coast. We are seeing some size issues as they have a cone shape.

Green Onions: **ESCALATED** Market is extremely active due to light supply harvested from the past two weeks. Freezing temperatures this week will curtail harvest and 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: Finally seeing better numbers and will be back to normal 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 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 good 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:** Lighter supply this week has driven prices up a bit. This uptick is mostly due to cooler temps slowing down production and we should see this improve as weather conditions stabilize over the next week. Overall quality is very nice on rounds.
- **Romas Tomatoes:** Lighter supply this week has driven prices up a tad. This uptick is mostly due to cooler temps slowing down production and we should see this improve as weather conditions stabilize over the next week. Overall quality is very nice on romas.
- **Cherry Tomatoes:** Stable supply and quality expected over the next few weeks.
- **Grape Tomatoes:** Good volume and quality availability.
- **Organic Tomatoes:** Stable supply available but sizing is on the smaller side.

Mexico

- **Round Tomatoes:** Good supply available as transition to winter crops are no in full swing which is expected to increase availability daily. Excellent quality available in McAllen and Nogales.
- **Roma Tomatoes:** Transition to winter crops is now in full swing bringing improved supply to market crossing through Nogales and McAllen which will keep prices stable this week. We continue to see excellent quality.
- **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.