

Weekly Market Review

January 21, 2022

Overview

Favorable growing conditions are helping push volume to more normal levels for this time of year and we are seeing this in the increased tomato volume crossing from Mexico. In Florida, we are seeing stable supply despite last week's weather events that brought rain and wind to the southern region, although we may see the effects of this a few weeks down the road with lighter volume. Cucumber volume from Honduras continues to improve but we will be watching for some expected delays at the ports. We are seeing some Force Majeure activity, as well as a continued extreme market, because of strong demand and extremely light volume. We expect pricing to be at record highs and are anticipating pro rates if we cannot secure enough fruit at the border for contracts. Please be flexible on sizing 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. Banana volume has firmed up and we are seeing shippers struggle with color; strong demand in all sectors will keep shippers behind on color until they can get ahead of the shortfalls. Volume is expected to remain light through March due to cooler weather in South America.

Market Alert

- Avocados – **ESCALATED**
- Bananas – **ESCALATED**
- Broccoli & Broccoli Florets - **ESCALATED**
- Brussel Sprouts – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cauliflower – **ESCALATED**
- Cilantro – **ESCALATED**
- Eggplant - **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Grapes – **EXTREME**
- Green Onions - **ESCALATED**
- Limes – **EXTREME/FORCE MAJEURE**
- Mushrooms - **EXTREME**
- Pineapple – **ESCALATED**
- Romaine Hearts- **ESCALATED**
- Zucchini & Yellow Squash (East) - **ESCALATED**

WATCH LIST

- Sugar Snap and Snow Peas
- Green Beans

Transportation

January brought several challenges in the freight market, from increased time off over the holidays by many drivers, to weather challenges across the country to illness related absenteeism due to the quick spreading Omicron variant of COVID-19. These factors have contributed to a DAT national load to truck ratio that has been in the 11-15 range over the past 6 months to spike to 33.56 in the first week of January. This means for every 33 loads posted on DAT's load board there is 1 truck available for pickup. This ratio is slowly returning to pre-holiday levels, but it will take time to make up the backlog of available loads.

- Reefer cost per mile \$3.61
- Diesel cost per gallon \$3.72

With this increased, and volatile market, we will continue to work with our carrier and distributor partners regularly to ensure we are providing the most accurate and competitive freight rates available to our customers.

Weather

OXNARD, CA:

Thu 1/20	Fri 1/21	Sat 1/22	Sun 1/23	Mon 1/24	Tue 1/25	Wed 1/26
70° 47°F	65° 54°F	70° 52°F	69° 50°F	67° 49°F	64° 50°F	67° 52°F
						

Sunny

CULICAN, MX:

Thu 1/20	Fri 1/21	Sat 1/22	Sun 1/23	Mon 1/24	Tue 1/25	Wed 1/26
84° 51°F	86° 50°F	85° 50°F	83° 49°F	83° 47°F	84° 49°F	86° 52°F
						

Cloudy

IMMOKALEE, FL

Thu 1/20	Fri 1/21	Sat 1/22	Sun 1/23	Mon 1/24	Tue 1/25	Wed 1/26
83° 57°F	81° 62°F	77° 53°F	70° 40°F	68° 51°F	77° 59°F	76° 50°F
						

Partly Cloudy

JALISCO, MX:

Thu 1/20	Fri 1/21	Sat 1/22	Sun 1/23	Mon 1/24	Tue 1/25	Wed 1/26
74° 52°F	73° 49°F	73° 51°F	72° 51°F	68° 47°F	72° 49°F	74° 50°F
						

Cloudy

YUMA, AZ:

Thu 1/20	Fri 1/21	Sat 1/22	Sun 1/23	Mon 1/24	Tue 1/25	Wed 1/26
74° 44°F	74° 53°F	71° 51°F	74° 46°F	75° 46°F	74° 47°F	73° 47°F
						

Sunny

Good Buys

Commodity	Market Update	Expert Tip
Iceberg Lettuce	Supply will be steady the next two weeks. Quality has been very good, and the market is steady to slightly softer. Forecast is for prices to be steady at current levels for the next week or two.	Iceberg lettuce provides that crispy and crunchy salad base that we are all looking for! Slice a head of iceberg lettuce into quarters and you have that delicious wedge salad that you can find at many different restaurants! Sprinkle the wedge with some fresh blue cheese crumbles, bacon bits, some slice tomatoes, and your favorite dressing. Enjoy!

Fruits & Vegetables

Avocados: **ESCALATED** The overall market remains firm as volume projections were down this week and demand remains strong as retailers prepare for Superbowl ads. Growers are calling 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. We are beginning to see a little fruit harvested in California and expect those numbers to increase weekly. Columbia and Chilean volume have been steady. We still see a small to mid-range peak on the size curve with larger sized fruit drawing a premium.

Jalisco Update: There has been substantial progress for Jalisco avocados for the U.S., 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 We are seeing shippers struggle with volume, color, and quality as we hit the winter cycle and less fruit due to cooler weather in South America. What is arriving at the ports is begin distributed as quickly as its unloaded from the ships and suppliers are certainly struggling on keeping up with color. Volume will remain light through March and it's very important to stay ahead of orders to maintain supply and manage color.

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 The import grape market continues to be in a demand exceeds supply situation. We are expecting this to be the case for the next two-three weeks. Basically, when Chile enters the arena. Fruit availability is being delayed on arrival due to challenges in the Port of Holt due to challenges with COVID.

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: Small sizes remain fairly tight, mostly fancy grade.

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

Limes: EXTREME/FORCE MAJEURE We are seeing some Force Majeure activity, as well as a continued extreme market, because of strong demand and extremely light volume. We expect pricing to be at record highs and are anticipating 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. Please be flexible on sizing and consider scaling back on portions, removing temporally, 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 Hearts: **ESCALATED** Romaine and romaine heart production is steady to slightly better. We continue to see some frost related issues at the field level, but overall quality is good.

Iceberg Lettuce: Supply will be steady the next two weeks. Quality has been very good, and the market is steady to slightly softer. Forecast is for prices to be steady at current levels for the next week or two.

Eastern and Western Vegetables

Green Bell Pepper: Improving supply out of Florida as growers are now in winter production. Florida growers are peaking on larger sizes as the break new fields and size distribution will even out over the next 10 days. Quality is outstanding. In Mexico, volume is also ramping back up and deals are being made on volume orders. Quality crossing from Mexico is good.

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: Stable supply crossing through Nogales and Texas. 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: ESCALATED 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: The import season continues to ramp up but delays at the ports, due to labor shortages and logistics issues, continue to be a strain on consistent arrivals, but availability has improved this week with good quality on all sizes. In the west, we are seeing good production available out Nogales, and McAllen.

English Cucumbers: Supply was lighter this week crossing through Nogales and FOB prices were stronger this week.

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

Green Beans: **WATCH LIST** Lighter supply and potential supply GAPS may be on the horizon this week out of Florida. Overall quality was reported as improving but will need to keep a close eye on availability. 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 continues in Florida due to lower yields and disease pressure and we may see production issues throughout the remainder of the winter crop until we transition late next month barring no weather delays. 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 out of Florida. Quality in Mexico is great on zucchini and yellow squash.

Herbs

The fresh herbs are very steady. The harvesting of basil is going well, and the quality is very strong and the fields that we are in should carry us for the next 4-6 weeks. Tarragon and Oregano will be hit or miss for the next two weeks as supply is steady, but logistics are challenging.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Steady	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	MEXICO
Mint	Steady	Steady	USA
Oregano	Limited	Steady	MEXICO
Italian Parsley	Steady	Steady	USA
Rosemary	Very Limited	Steady	USA/MEXICO
Sage	Steady	Steady	MEXICO
Savory	Steady	Steady	USA
Sorrel	Steady	Steady	USA
Tarragon	Limited	Steady	MEXICO
Thyme	Steady	Steady	USA
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 Texas with moderate demand. Quality is good and FOB prices remain strong 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 good this week.

Asparagus: Peru: Low volume, fair quality, and steady demand. **Mexico:** Low volume, good quality and steady demand.

Bok Choy: Bok Choy volume is expected to be light this week.

Broccoli/Broccoli Florets: **ESCALATED** Although quality is good, supply has decreased, and market is stronger.

Brussels Sprouts: Volume will be reduced this week as production regions transition and the open market shows no signs of retreating in the near term. Expect to see reduced fill rates on both the bulk 25 lb. pack and the VA category. Improved volume should be in about 2-3 weeks and open market prices should ease.

Carrots: **ESCALATED** Current demand exceeds predicted supply while lower than average yields caused by cold wet weather has limited availability. Rainfall totals in Bakersfield last month were greater than any December in the last several years. In addition, shippers are struggling with labor due to COVID and not having enough workers show daily to pack carrots.

Cauliflower: **ESCALATED** Supply is getting better although pricing is still escalated. Quality is good.

Celery: Quality is good, and the market is stronger.

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

Corn: Supply has tightened back up and fob prices remain strong out of Florida as well as crossing through Nogales, and quality is marginal.

Cilantro: Cilantro volume is expected to be on budget this week, and overall quality is very nice.

Fennel: Supply remains very snug and 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 still active due to cold temperatures although supply is improving. Market is still escalated although, but we anticipate pricing to be coming off.

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 continue to see this ongoing trend and hope to see some retreat this quarter. 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: Good supply this week.

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

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

Sugar Snap Peas: **WATCH LIST** Low volume, good quality, and steady 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 onion market continues to stay strong at an unprecedented fashion on all jumbo sizes of all colors. The northwest continues to ship a smaller size profile, with limited Colossal and Super Colossal availability. While we do typically see the market take an increase this time of year, the levels we are seeing at this point of the year in early January is certainly a new development. Shrink levels in the northwest continue to increase at a concerning rate. Growers are concerned about how the crop will finish storing. What was already a short crop to begin with, may not take the storage supply much further than March out of Idaho/Oregon at this point. In recent years, we have seen Northwest onions into late May with relatively strong quality. We are seeing more internal issues (discoloration, translucency, internal rot) than we ever have at this point in the season, and this is all related to the extreme heat the onions experienced this past Summer. Unfortunately, there is no way to grade all of this product out at shipping point since it is internal. This is likely to continue, or worsen, in the coming months. We are beginning to see Mexican product cross in a small way, and this is expected to increase in the coming weeks as well. The country may need the supply from Mexico and Texas more than ever this year. However, even if Mexico crosses heavy volumes on whites and yellows, they generally do not produce enough red onions to make a big difference supply

wise. Red onions are expected to be the shortest of any of the varieties as we move into the Spring. It also remains to be seen how multi-unit national chains will handle Mexican product given the recall that took place this past Fall on the Mexican onions that shipped over the Summer. Initially, most of these types of accounts have forbid any Mexican product. However, if the situation does become dire enough, that may change fast. Freight is beginning to ease up as well in the Northwest. We are seeing more available refrigerated capacity than we have in several months, and rates are beginning to move back down as well.

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 are seeing non-size A potatoes, and #2s beginning to tighten back up, while carton supply currently feels plentiful. A big reason for this has been the logistics challenges over the last several weeks. Growers are now finally beginning to clean their floors and move inventory as well. This should help growers resume normal production, and non-size A and #2 potato availability should improve some as well. Despite the current feeling of plentiful Idaho supply, the crop does remain short for the long-term outlook. Especially when Norkotahs finish and we are shipping Burbanks exclusively. The Burbank crop is expected to have taken the brunt of the extreme heat from this past Summer. Generally speaking, growers do see a decrease in production when switching from Norkotahs to Burbanks, as the Burbanks do not pack out with the same level of production than Norkotahs do. The concern this year is that the drop off will be significant. If that does take place, we will see a fast upturn in market pricing across all sizes and grades of potatoes. Processor demand remains Heightened and continues to put pressure on the fresh crop as they are offering record prices for bulk product. Freight is beginning to ease up as well in the Northwest. We are seeing more available refrigerated capacity than we have in several months, and rates are beginning to move back down as well.

TOMATOES

East Coast

- **Round Tomatoes:** Steady supply available this week on greens and vine-ripes. We could see conditions turn over the next few weeks due to weather related pressure this past week that will affect later production due to bloom drop and scaring.
- **Roma Tomatoes:** Steady supply available this week and markets have eased back. 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:** Excellent quality and supply crossing through Nogales and McAllen.
- **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.