

Weekly Market Review May 6, 2022

Overview

We are seeing more volume available on limes as well as some long-needed price relief on smaller sizes. Production seems to be slowly improving; however, the overall conditions of the market will continue to be extreme through May on large sized fruit and we do not expect any significant volume on larger sized fruit until sometime in June. Tomato and squash markets continue to be stable as we see strong production in the east and a relatively smooth transition in Mexico. Good volume on cucumbers as local growers in South Georgia are breaking fields, pepper is easing back as volume starts up in North Florida and should continue to improve. Corn is hitting good stride and volume is available out of Belle Glade Florida, as well as the desert. Good volume on cabbage and squash out of South Georgia and we expect the first picks on peppers and cucumbers over the next two weeks.

Market Alert

- Avocados – **ESCALATED**
- Asparagus - **ESCALATED**
- Bell Pepper (Green) – **ESCALATED**
- Cantaloupes – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Celery - **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Honeydews – **ESCALATED**
- Hot Peppers - **ESCALATED**
- Limes – **ESCALATED**
- Mushrooms – **ESCALATED**
- Oranges - **ESCALATED**

WATCH LIST

- Green Beans
- Snow Peas
- Sugar Snap Peas

Transportation

DAT national load to truck ratio has returned to the levels we were seeing prior to the December/January spike with March 6th reporting a 10.94 load to truck ratio. This reduction in truck demand has also brought the average cost per mile reported by DAT back down from \$3.61 in January to \$3.47 as of March 10th. The \$3.47 average is the same average as December '21. The conflict in Ukraine has brought supply uncertainty to the crude oil market. This uncertainty along with sanctions on Russia has increased crude oil prices from \$86 per barrel in January to \$124/b in the first week of March. This increase in crude oil has caused the average diesel cost to increase from a \$3.72/gal average in January to \$4.84/gal average as of March 7th.

Weather

OXNARD, CA:

Thu 5/5	Fri 5/6	Sat 5/7	Sun 5/8	Mon 5/9	Tue 5/10	Wed 5/11	Thu 5/12
65° 53°F	67° 55°F	66° 53°F	65° 49°F	62° 46°F	62° 46°F	64° 48°F	66° 51°F
							
AM Clouds/PM Sun	Mostly Sunny	Mostly Sunny	Sunny/Wind	Sunny/Wind	Sunny/Wind	Sunny/Wind	Sunny

CULICAN, MX:

Thu 5/5 93° 63°F Sunny 12 AM 0 in	Fri 5/6 98° 64°F Sunny 0 in	Sat 5/7 96° 63°F Sunny 0 in	Sun 5/8 97° 63°F Sunny 0 in	Mon 5/9 99° 66°F Mostly Sunny 0 in	Tue 5/10 102° 67°F Sunny 0 in	Wed 5/11 102° 67°F Mostly Sunny 0 in	Thu 5/12 100° 66°F Partly Cloudy 0 in
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PALMETTO, FL

Thu 5/5 89° 70°F Sunny 0 in	Fri 5/6 88° 75°F Sunny 0.05 in	Sat 5/7 82° 73°F Rain 0.5 in	Sun 5/8 85° 69°F Partly Cloudy 0 6 PM	Mon 5/9 88° 67°F Mostly Sunny 0 in	Tue 5/10 88° 66°F Mostly Sunny 0 in	Wed 5/11 86° 65°F Partly Cloudy 0 in	Thu 5/12 86° 67°F Mostly Sunny 0 in
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JALISCO, MX:

Thu 5/5 86° 59°F Mostly Sunny 0 in	Fri 5/6 89° 59°F Mostly Sunny 1 AM 0 in	Sat 5/7 88° 58°F Sunny 0 in	Sun 5/8 85° 59°F Mostly Sunny 0 in	Mon 5/9 86° 61°F Partly Cloudy 0 in	Tue 5/10 87° 63°F Sunny 0 in	Wed 5/11 88° 63°F Partly Cloudy 0 in	Thu 5/12 86° 61°F Mostly Sunny 0 in
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COACHELLA, CA:

Thu 5/5 100° 66°F Sunny 3 AM 0 in	Fri 5/6 102° 71°F Sunny 0 in	Sat 5/7 101° 67°F Sunny 0 in	Sun 5/8 92° 59°F Sunny 0 in	Mon 5/9 86° 54°F Sunny 0 in	Tue 5/10 83° 54°F Sunny 0 in	Wed 5/11 83° 56°F Sunny 0 in	Thu 5/12 90° 62°F Sunny 0 in
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SALINAS, CA

Thu 5/5 70° 52°F AM Clouds/PM Sun	Fri 5/6 71° 54°F Partly Cloudy	Sat 5/7 66° 47°F Partly Cloudy	Sun 5/8 59° 46°F Mostly Sunny	Mon 5/9 58° 44°F Partly Cloudy	Tue 5/10 59° 46°F Sunny	Wed 5/11 61° 46°F Partly Cloudy	Thu 5/12 64° 47°F Mostly Sunny
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Good Buys

Commodity	Market Update	Expert Tip
Seedless Watermelon - Southeast	Good volume available out of Florida and quality is very nice. Good volume also crossing through McAllen and Nogales on Minis and Seedless.	There is nothing better than seedless watermelon, it is fresh, sweet, juicy and the perfect summer fruit! Not only is it packed with nutrients and beneficial plant compounds, but the fruit also helps to improve heart health, reduce inflammation and aid in skin health. Best of all, watermelon helps you stay hydrated!

Fruits & Vegetables

Avocados: **ESCALATED** Total volumes to the U.S. closed at 58.2-million-pounds for last week, and with two weeks of decent volumes, pricing is now on the other side of the peak. The size curve is trending toward larger size fruit 48 counts and larger and with this shift to larger sizes (something that we haven't seen in 6+ months), the pricing between sizes will adjust the most. Larger sizes will continue to come down in price while the 60s and smaller may see an increase. Additionally, Peru's sizing is trending towards larger-sized fruit that will arrive from Peru in a few weeks. With these added volumes, we should see larger-sized fruit pricing decrease further. Harvest out of Mexico has been very light for a few days due to the push to get field pricing down in Mexico, and this week will come in under the 55.6-million-pound harvest projections. If there's a decent pull for growers to reload after Cinco, we could see pricing strengthen as we move into next week – especially on small fruit 60 counts and smaller.

Bananas: Steady volume and good quality available. However, we are seeing firm pricing this quarter due to record high fuel prices.

Pineapples: Pineapple availability continues to be okay. The size profile is trending to size 5 and 6cts and availability on 7cts remains limited.

Grapes: Weather in Chile is ideal for grapes and has been for a few weeks, which is increasing the supply imported into the U.S. Red Grape pricing continues to be fairly low with plenty of supply. Green grapes remain higher as fewer supplies have been shipped.

Berries

Strawberries: Volumes continue to increase as the Northern District and Santa Maria increase in volume slightly. Although some damage was observed following the rain event, growers have managed to clean up the fields and resume a regular harvest schedule. Watsonville, Salinas, and Santa Maria report large-sized fruit with excellent quality. Oxnard continues to decrease due to the lingering damage from the previous rain event.

Blackberries: Growers are in post-peak production from central Mexico. After the current week, they'll begin descending from the Mexico regions. The California region has been experiencing a delay from the cold weather and rain for the previous two weeks.

Raspberries: Central Mexico will be entering its peak production starting next week and will descend rapidly, losing half of its volume by the beginning of June. Baja will continue to uptrend until the end of May and decline quickly after the peak. Oxnard and Watsonville will continue to uptrend and keep volume afloat as Mexico volume declines. Watsonville kicked off the season with light numbers, and Santa Maria will start harvest in the second week of May. Oxnard will continue to uptrend and harvest heavy volume at peak production in the second week of June.

Blueberries: Central Mexico volumes are decreasing, and Florida is on the back end of their season peak where we will see volume for 1 more week. Baja production is in their spring peak in the next three weeks. Georgia is in their peak and San Joaquin Valley will have light volume this week and is expected to ramp up quickly the following week.

California

Citrus

Oranges: ESCALATED Small oranges remain fairly tight, with market pricing in the low \$20's for choice grade. Few navels remain, but many growers are on to Valencias. Size structure peaking 56/72, with about 75% being fancy grade.

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

Limes: ESCALATED Volume seems to be improving on smaller sizes and we are seeing downward pressure due to the increased volume. New crop limes are simply not sizing up and growers continue to cut ahead into the smaller fruit to keep the supply chain full. We hope to see this trend continue as newer groves are being harvested and overall volume improves. Unfortunately, we are expecting larger sizes will continue to be short until Mid-June; please continue to be flexible on sizes until we see improvement on volume on large sized fruit.

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: Blood oranges are available in good supply. Imported clemens will be available soon.

West Coast Lettuce

Butter Lettuce: Quality is very good, and market is steady.

Green Leaf: Quality is very good with slightly lighter supplies; Market is slightly stronger.

Red Leaf: Quality is very good with slightly lighter supplies; Market is slightly stronger.

Romaine and Romaine Hearts: Quality is very good with slightly lighter supplies; Market is slightly stronger.

Iceberg Lettuce: We are also seeing lighter supplies on Iceberg with much-increased demand, market is stronger. Look for market to continue strong through next week.

Eastern and Western Vegetables

Green Bell Pepper: ESCALATED Overall markets are easing back as more volume becomes available out of North Florida. In Mexico, volume is light as the season winds down over the next several weeks. Coachella is slowly ramping up and quality out of the region is very nice. South Georgia should ramp up over the 10 days.

Red Bell Pepper: Good Supply and quality available

Yellow Bell Pepper: Good supply and quality available

Mini Sweet Pepper: Good supply and quality available

Mixed Chili Pepper: ESCALATED We will continue to see marginal quality and light supply out of Florida. In McAllen and Nogales, prices remain firm this week, due to transition. We hope to see better volume over the next several weeks as newer regions ramp up production.

Eggplant: Good supply available out of Florida and Mexico. Georgia and Coachella are about 3 weeks from starting.

Slicer Cucumbers: Florida supply will be wrapping up this week and transition to South Georgia where we are seeing better availability daily. Volume and quality crossing through McAllen and Nogales remains strong.

English Cucumbers: Good quality and supply available out of Mexico.

Pickles: Supply was lighter this week crossing through Nogales and quality is very nice. We are seeing better numbers out of South Florida this week as well.

Green Beans: **WATCH LIST** Bean supply in the east is tight as the last of the Florida crops finishes, we should see better volume once we transition to South Georgia in 10-14 days. In the west Mexico is about done with transition to Coachella in full swing followed by Fresno. FOB prices are expected to remain elevated for the next few weeks.

French Beans: Excellent supply and quality out of Guatemala

Zucchini/Yellow Squash: Excellent supply and quality available out of Florida, South Georgia and Crossing through Nogales. California is about 14 days from scratching new crop.

Herbs

Good availability and consistent supply of all herbs, except **DILL**, which has been a challenge due to quality

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	Limited	Steady	USA
Chives	Steady	Steady	MEXICO
Cilantro	Steady	Steady	USA
Dill	Steady	Steady	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	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: **ESCALATED** Increased Mexican crossings combined with higher freight rates, especially from Florida due to Mother's Day flower pulls, have started to pressure the cantaloupe markets from their highs. Sizing on cantaloupe is moving away from mainly jumbo fruit and providing a nice mix of 9, 12, and 15 counts. The current quality is the best growers have seen all season, with excellent shell color and solid internal brix.

Honeydew: **ESCALATED** Increased Mexican crossings combined with higher freight rates, especially from Florida due to Mother's Day flower pulls, have started to pressure the honeydew markets from their highs. Honeydew sizing continues to run heavier to the larger fruit 5 counts and larger leaving smaller sizes light supply.

Watermelon: Good volume available out of Florida and quality is very nice. Good volume also crossing through McAllen and Nogales on Minis and Seedless.

Mixed Vegetables

Artichokes: Quality has improved significantly, with good supply.

Arugula: Quality has improved with much better available supplies, market is steady

Asparagus: **ESCALATED** Oregon continues with slow production/heat in the fields, causing lower than normal yields due to seeding. Southern Baja has better production this week, and this should continue for the next 2-3 weeks. Guanajuato is still scheduled to start the last week in May. Peruvian production continues to increase every week in the north and the south is still seeing cooler weather. Market continues to be very active with the transition and the Mother's Day rush. Airspace is still very limited with the Mother's Day flower rush continuing.

Broccoli/Broccoli Florets: Quality is very good, with good supply. We are anticipating a slight increase in the market next week but currently the market is steady going into this weekend.

Brussels Sprouts: Quality is good with very good demand; market continues to be very active.

Carrots: ESCALATED Current demand exceeds predicted supply while lower than average yields caused by cold wet weather has limited availability. Shippers continue to struggle with labor due to COVID and not having enough workers show daily to pack carrots.

Cauliflower: Quality is very good but with increased demand, Cauliflower Market is strengthening but will remain active through next week.

Celery: ESCALATED Celery market is considerably stronger, but we are starting to see quality issues in the fields in Oxnard. We are seeing seeders in all fields which is reducing available supply. Look for market to remain strong for approx. the next 2 to 3 weeks while growers navigate through the quality problems.

Corn: Good volume available out of Florida and California. South Georgia will ramp up in approximately 3 weeks. Quality is outstanding.

Fennel: Supplies are lighter, quality is very good. Market is steady

Garlic: EXTREME Domestic supply is very tight, and shippers are holding to averages but we expect this volatile market to continue through next summer. Garlic Company is now shipping product of Mexico until new crop garlic gets started in mid-July.

Ginger: EXTREME Ginger is very volatile due to very inconsistent supply and market is higher. Supply remains tight for the foreseeable future.

Green Cabbage: Steady availability continues out of Florida, South Georgia and Texas. In the west, weights are improving because of crop movement although we are seeing cone shape heads for this week.

Green Onions: Supply is good with very good quality, Market is steady

Jicama: Steady supply available crossing through McAllen.

Kale (Green): Supply is steady, quality is very good

Mushrooms: ESCALATED Quality is good, although supply is down and markets are higher primarily due to a lack of labor, shortages in component of growing such as peat moss and other inflationary pressure. We expect to see this continue to be a challenge until some of the growing costs can get under control of this particularly labor intensive and cost sensitive item.

Napa Cabbage: We are seeing decreased availability until we see supply increase out of Salinas.

Parsley (Curly, Italian): Parsley supplies are expected to be steady this week.

Rapini: Excellent supply this week and next.

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

Snow Peas and Sugar Snaps: **WATCH LIST** Guatemala production started to see some quality issues due to rain in the snow peas at the field level. The sugar snap supply has improved from last week. Mexico production is light with quality fair to good. U.S. product has started with fair supply and good quality.

Spinach (Bunched & Baby): Supply and quality are good.

Spring Mix: Supply and quality are good.

Sweet Potatoes and Yams: Demand continues to be stable across all sizes and varieties. There are deals to be had on both #1's and Jumbos out of North Carolina. FOB's out of Mississippi are a bit higher but quality out of that region has been outstanding. We should see prices gradually start to rise throughout the summer months and into the new crop.

Onions:

Product has loosened up in Texas as they have dried out from their bouts of rain last week. It seems like they have approximately 1-2 weeks remaining. Size and quality remain strong on all colors and sizes out of this region. We are not seeing an overabundance of any one particular size/color down here as well. It appears to be mostly mixed across the board. The Northwest is essentially finished up outside of maybe one or two growers in Washington primarily covering contracts. This is likely going to be the scenario for another 2-3 weeks out of this region. Any open market product still being shipped in this region is being kept close and mostly staying on the West Coast. Production has ramped up in the Imperial Valley, CA despite heavy labor challenges. We do anticipate there is another 'gear' to hit here in terms of production volume. We will likely see that many more onions shipping out of CA in the coming weeks. Originally, the industry was expecting further downward pressure on pricing out of California than we have seen thus far. This still may take place, but until production can reach its peak, pricing will likely stay relatively flat. Their size profile has been heavier to large onions. They are peaking on Jumbo size and beyond, with mediums becoming much tighter than we have seen in quite some time. While growers still feel there is a higher percentage of seeders in this crop than normal, we have not been seeing these upon arrival, which is positive. The next major shipping region to come online will be New Mexico in about 3-4 weeks' time. Hopefully Southern California can get production ramped up in time to help alleviate overlapping supplies as much as possible. Trucks have remained plentiful, and rates continue to reflect healthy capacity, with some reduced demand. However, we do expect the rates will take an increase as trucks begin moving to California for the Salinas transition.

Potatoes:

The potato market has stabilized on all sizes now. While size profiles had been mixed throughout the state, we are seeing #1 count cartons continuing to tighten up all over. The tightest range of size appears to be on 60/70/80 count potatoes. We are beginning to see the market begin to move up again because of this. Pricing had been relatively flat for the last several weeks, but this is beginning to change relatively quickly. Historically, the market pricing is typically heavier to a specific profile, and we see pricing reflective of this. This season, we are generally not seeing pricing reduced on any specific size count cartons or #2s. This is a testament to just how short the crop is, and how spread-out demand is across the spectrum of grades and sizes in Idaho. Growers are beginning to get into their last remaining Norkotah cellars and should finish them up over the course of the next month or two. 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 as the Burbanks were believed to have taken the brunt of the heat wave this past summer. 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. Growers in all regions are preparing for a very strong April, where product is expected to significantly tighten up and remain snug until new crop in August. Additionally, freight has returned a much more 'normal' state for this time of year. We are seeing rates that we have not seen since early 2020, before the Pandemic. Despite hefty fuel increases, this has not materialized yet in higher rates. Rates are expected to increase in April as we move toward Summer.

TOMATOES

East Coast

- **Round and Roma Tomatoes:** Good supply available out of Immokalee as well as the Ruskin/Palmetto areas. Quality is outstanding
- **Grape and Cherry Tomatoes:** Excellent volume and quality available
- **Organic Tomatoes:** Supply will be limited this week.

Mexico

- **Round and Roma Tomatoes:** Lighter volume with a wide range of quality continues as winter production winds down and transition to spring crops begin out of Baja, Sonora, and Jalisco. We should see volume continue to improve this week and quality be much improved.
- **Grape Tomatoes:** Strong numbers continue out of all regions and quality is outstanding.
- **Medley Grape Tomatoes:** Strong numbers continue out of all regions and quality is outstanding.
- **Cherry Tomatoes:** Strong numbers continue out of all regions and quality is outstanding.
- **Tomato on the Vine:** Excellent quality and supply available.

APPLES &

PEARS

Apples: West coast new crop apples are being packed; however small sizes remain tight. 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.