

Weekly Market Review May 27, 2022

Overview

We continue to see improving volume on mid-sized to small limes, however the larger sizes will continue to be short, and expected to continue through June. Tomato volume will be light out of the east as the Florida season is ending; we will see transition to South Georgia and South Carolina over the next 10-14 days. Out west light demand and slowly improving volume continues to keep inventories and fob prices manageable however we are seeing a wide range in quality. On the veg, new crop production in South Georgia has ramped up, good volume available on cucumbers, cabbage, soft squash and bell pepper. Corn is short due to Memorial Day demand at retail and should rebound over the next week. Green Bean market is split with high price and short supply in the west while new crop is ramping up out of South Georgia.

Market Alert

- Avocados – **ESCALATED**
- Bell Pepper (Green) – **ESCALATED**
- Cabbage – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Celery – **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Green Beans (West) - **ESCALATED**
- Hot Peppers – **ESCALATED**
- Italian Parsley - **ESCALATED**
- Limes – **ESCALATED**
- Mushrooms – **ESCALATED**
- Oranges - **ESCALATED**
- Tomatoes (Round & Roma) - **ESCALATED**

WATCH LIST

- 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 5/26	Fri 5/27	Sat 5/28	Sun 5/29	Mon 5/30	Tue 5/31	Wed 6/1	Thu 6/2
65° 57°F	63° 55°F	64° 54°F	68° 52°F	67° 53°F	69° 55°F	70° 56°F	69° 55°F
							
AM Clouds/PM Sun	Mostly Cloudy	Partly Cloudy	Partly Cloudy	Sunny	Sunny	Sunny	Sunny

PALMETTO, FL

Thu 5/26 91° 74°F  Partly Cloudy	Fri 5/27 88° 74°F  Isolated Thunderstorms	Sat 5/28 87° 72°F  AM Thunderstorms	Sun 5/29 89° 71°F  PM Thunderstorms	Mon 5/30 90° 72°F  PM Thunderstorms	Tue 5/31 89° 71°F  PM Thunderstorms	Wed 6/1 88° 71°F  PM Thunderstorms	Thu 6/2 88° 73°F  PM Thunderstorms
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MOULTRIE, GA

Thu 5/26 80° 67°F  Thunderstorms	Fri 5/27 86° 63°F  AM Showers	Sat 5/28 86° 65°F  Mostly Sunny	Sun 5/29 87° 66°F  Sunny	Mon 5/30 88° 67°F  PM Thunderstorms	Tue 5/31 86° 68°F  Partly Cloudy	Wed 6/1 87° 68°F  Partly Cloudy	Thu 6/2 86° 69°F  Partly Cloudy
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JALISCO, MX:

Thu 5/26 85° 63°F  Sunny	Fri 5/27 87° 63°F  Partly Cloudy	Sat 5/28 85° 61°F  Mostly Sunny	Sun 5/29 82° 59°F  Sunny	Mon 5/30 84° 60°F  Sunny	Tue 5/31 83° 60°F  Sunny	Wed 6/1 82° 61°F  Sunny	Thu 6/2 82° 61°F  Mostly Sunny
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COACHELLA, CA:

Thu 5/26 104° 70°F  Sunny	Fri 5/27 103° 71°F  Mostly Sunny	Sat 5/28 98° 66°F  Mostly Sunny/Wind	Sun 5/29 95° 62°F  Partly Cloudy	Mon 5/30 91° 63°F  Sunny	Tue 5/31 96° 67°F  Sunny	Wed 6/1 101° 70°F  Sunny	Thu 6/2 104° 70°F  Sunny
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SALINAS, CA

Thu 5/26 66° 54°F  Mostly Cloudy	Fri 5/27 66° 54°F  Mostly Cloudy	Sat 5/28 67° 51°F  Partly Cloudy	Sun 5/29 63° 48°F  Partly Cloudy	Mon 5/30 65° 47°F  Sunny	Tue 5/31 71° 50°F  Sunny	Wed 6/1 74° 51°F  Sunny	Thu 6/2 69° 52°F  Partly Cloudy
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Good Buys

Commodity	Market Update	Expert Tip
Table Grapes	Deals are being made on the remaining offshore inventories while we see new crop volume crossing from Mexico. Overall demand has been light.	From green and red to beautiful purple, there are so many different varieties of grapes. Did you know that grapes are a good source of fiber, potassium, and a range of vitamins and other minerals? The vitamins, minerals, and fiber in grapes make them a healthful way to satisfy a sweet tooth!
Strawberries	Due to warmer weather, we are seeing growers reaching peak volumes and expect peak volumes to continue for the next few weeks. Quality out of Salinas, Watsonville and Santa Maria is exceptional and looks to continue.	A great topper to keep in your fridge all summer long are macerated strawberries. Slice up strawberries and then add sugar, a pinch of salt and some lemon juice. Place this in the fridge for at least 30 mins to an hour and then enjoy on ice cream, cake, toast, or even waffles!

Fruits & Vegetables

Avocados: **ESCALATED** There continue to be fewer available harvest areas at higher elevations, which is holding strong field pricing in Mexico. Total volume to the U.S. closed at 46.7 million pounds last week, a 10% increase from previous weeks, but still under projections. We continue to harvest the Negra/Late season, high dry matter fruit. Loca crop estimates report an increased volume compared to last season's Loca crop. When we transition into the Flora Loca crop in July, we will see a shift in size curve and expect to see more 6octs and smaller, followed by 48cts with limited availability on larger sizes. We expect cleaner pack out, with less grade 2 fruit.

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: Deals are being made on the remaining offshore inventories while we see new crop volume crossing from Mexico. Overall demand has been light.

Berries

Strawberries: Due to warmer weather, we are seeing growers reach peak volume and expect this to continue for the next few weeks. Quality out of Salinas, Watsonville and Santa Maria is exceptional and looks to continue.

Blackberries: No changes as the industry is in the transitional period between central Mexico and California. The central Mexico season will likely end in mid-June. Oxnard, Santa Maria, and Watsonville supplies are increasing, with Oxnard being the primary producing region in California. We should start to see volume increasing in Salinas / Watsonville in mid-June.

Raspberries: No changes as Central Mexico will continue to wind down until the end of its season. Baja volumes are expected to increase for the next two weeks and will rapidly decline at the beginning of June. The California growing regions will continue with lighter volume estimated to increase in Mid-June.

Blueberries: Mexico production continues to ramp down through the month of May. The San Joaquin Valley is reaching peak production and should see good volumes moving forward. Mexico quality is very good, but we are starting to see a down-trend in volume. Georgia volumes are trending down as varieties are changing, quality is good.

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. Best buys are on 95-140F/Ch. Argentine lemons will be arriving by next week on the east and west coasts.

Limes: **ESCALATED (150 counts and larger)** Volume will continue improving on small limes; however, the crop is simply not sizing up at this point. Growers are optimistic we should see a much-improved size distribution by the middle of June. With this update we expect larger sized fruit to be an issue and ask 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 clementines will be available soon.

West Coast Lettuce

Butter Lettuce: Steady volume with overall very good quality. Market and supply will remain steady.

Green Leaf: Production in Salinas is steady and overall quality is good with some signs of wind and fringe burn. The markets are slightly softer, with good demand.

Red Leaf: Production in Salinas is steady and overall quality is good with some signs of wind and fringe burn. The markets are slightly softer with good demand.

Romaine and Romaine Hearts: Romaine and romaine heart supply is steady and may see some very light windburn, but quality is very good. Overall demand is good and steady with slightly better demand on the hearts.

Iceberg Lettuce: Weather has been ideal for growing so we are seeing good supply and good quality. Demand has been very good, keeping the market steady at current levels.

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 is also ramping up and quality is beautiful, we should see steady markets and improved fob prices continue over the next week.

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** Improving volume has become available out of Florida and should see South Georgia should ramp up late next week. In McAllen and Nogales, prices remain firm this week but much improved availability on anaheims, jalapeno, serrano, and poblano. Jalapeno and tomatillos are firm but should improve as volume ramps up out of Baja.

Eggplant: Good supply available out of Florida and Mexico is winding down for the season. Georgia and Coachella are about 1 week out from production.

Slicer Cucumbers: Florida supply will be wrapping up this week. South Georgia is seeing strong productions and outstanding quality. Volume and quality crossing through McAllen and Nogales was lighter this week and driving fob prices higher in the west.

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

Pickles: We are seeing stable volume out of South Florida this week as well.

Green Beans: **ESCALATED** Mexico is winding down and Coachella is already wrapped up. There are few stragglers but with less acreage planted the season closed sooner than expected and we should transition to Fresno and the coast over the next 10 days. In the east, we are seeing stronger numbers out of South Georgia and Florida is done for the season.

French Beans: Out of the west, quality and production levels remain fair as labor continues to be a challenge. Guatemalan production continues to be excellent, but rain may affect shelf life in the coming weeks.

Zucchini/Yellow Squash: Excellent supply and quality available out of Florida, South Georgia, and Crossing through Nogales. California is about 10 days from scratching new crop.

Herbs

Rain continues in Colombia, which is causing quality issues and some supply shortages. Out of Mexico, supplies are getting better, and quality is improving.

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	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: Cantaloupe has started in the desert and should begin to see more volume over the next week. Sizing is leaning heavy to 9's with 12-15's being very limited. Flexibility in sizing is critical as we transition from the offshore program. Quality is outstanding

Honeydew: We are still 7-10 days away from domestic dews beginning. Most growers in this area only plant a small percentage of honeydews to begin with because of it being a more challenging area to grow dews. This will cause us to rely heavier on consolidating Mexican honeydew over the next 10-14 days.

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: Supply and quality are good.

Asparagus: There is no change in the warmer weather in Obregon, which is still low due to seeding. Southern Baja continues with good production, especially on the Jumbo size. Guanajuato should start-up in the next week. Peruvian production remains the same from last week in the north. The south is still seeing

cooler weather. Markets are less active this week with local/domestic asparagus being available and with Peru and Mexico with good production.

Broccoli/Broccoli Florets: Market continues steady with very good quality.

Brussels Sprouts: We will continue to see lighter supplies for the coming week with Very-Strong Demand, prices are higher.

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: Market firm, quality is very good, with very good demand.

Celery: **ESCALATED** Pricing remains escalated although market has a weaker undertone, quality is improving. A few shippers have started in Salinas as we look for volume to increase. Oxnard will still be shipping through the month of June at which time all Celery will be moving to the Salinas / Santa Maria growing areas for the remainder of the season

Corn: **ESCALATED** Volume is snug this week as pulls are heavy at retail for Memorial Day. We should see this shift over the next few days. Volume is wrapping up out of Florida and expect to begin South Georgia this coming week. Quality is outstanding in the southeast as well as California.

Fennel: Good supply continues with very good quality

Garlic: **EXTREME** Domestic supply is very tight, and shippers are holding to averages but we expect this volatile market to continue through the 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: **ESCALATED** Quality is good; supplies continue to be light. Market is very active

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: Quality and supplies are improving.

Parsley (Curly, Italian): ESCALATED (Italian) Quality is good, fair supply on curly parsley with good demand. Very light supply on Italian parsley with a demand exceeds supply situation, market is escalated with much higher pricing.

Rapini: Excellent supply this week and next.

Red Cabbage: - ESCALATED Quality is good, supplies are lighter. Market is very active

Snow Peas and Sugar Snaps: WATCH LIST Rain in Guatemala continues to slow down the production of snow peas, and quality will be affected in the coming weeks. Sugar snap supply is steady. Production in the U.S. continues to ramp up.

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:

Both Texas and the Northwest are no longer shipping very much product. There are still pockets of Mexican product shipping out of Texas, however, it is primarily on red and white onions only. The Imperial Valley, CA is starting to wind down, and they should mostly be finished by the end of next week. They are essentially finished with white onions, and we are seeing an imbalance on reds against their remaining yellows. This is causing them to have to make straight load red deals in order to keep those cleaned up. The market in the Imperial Valley ended up holding a long stronger than originally anticipated. This is in large part to a decrease in production due to various challenges with both labor as well as the presence of seeder onions. We will begin to see the San Joaquin valley start shipping product on Tuesday after Memorial Day. They will have all colors and sizes right out of the gate. We will also see New Mexico start in full force on Tuesday as well. Sizing in New Mexico appears to be on the smaller end to start out, and they are expected to have similar production challenges that the Imperial Valley experienced. Many believe onions will get very tight toward the end of June/early July and prices could spike. The big news at the moment is the challenges that the Northwest is experiencing with next season's Fall crop. Not only was acreage already believed to be significantly down, but both cool temps, lack of water, and strong winds are not being kind to this crop in its early stages. While there is plenty of time to go still, there is a lot of concern for how healthy this crop will become The Fall. Trucks had remained plentiful until last week's DOT Inspection week. We saw capacity tighten and rates move up. With Memorial Day weekend upcoming, we are seeing rates holding steady from the increase.

Potatoes:

The potato market continues to further tighten on all sizes and grades. 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. This is a trend we can likely expect to see until new crop in the Fall. Now that growers are winding down on their last remaining Norkotahs, production is expected to drop off significantly when we are

exclusively shipping Burbanks. While Idaho has not had a true shipping gap between old crop and new crop in about ten years, many believe there may be one this season. If that does take place, the industry may have no choice but to supplement their needs during July/August with other growing regions. The big news at the moment is the challenges that the Northwest is experiencing with next season's Fall crop. Not only was acreage already believed to be significantly down, but water concerns, fuel, and a significant increase in overhead have growers pretty cautious. We generally begin to see contract RFPs come out around this time for next season's crop. This particular year, growers are very apprehensive to put anything out that does not come with an increase and/or some type of escalation clause or language. Trucks had remained plentiful until last week's DOT Inspection week. We saw capacity tighten and rates move up. With Memorial Day weekend upcoming, we are seeing rates holding steady from the increase.

TOMATOES

East Coast

- **Round and Roma Tomatoes: ESCALATED** Volume continues to be a struggle as the Palmetto season is rapidly coming to an end and expect active markets through Memorial Day. We should see relief once we transition to South Georgia and South Carolina by the end of the month.
- **Grape and Cherry Tomatoes:** Volume continues to be light this week and quality remains strong. We expect lighter availability through Memorial Day and should improve with transition.
- **Organic Tomatoes:** Supply will remain limited this week.

Mexico

- **Round and Roma Tomatoes: ESCALATED** 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 and Cherry Tomatoes:** With the Sinaloa Season ending and production set to ramp up out of Baja and Central Mexico by the first of the month; we expect good availability to continue through Memorial Day. Overall quality remains good.
- **Medley Grape 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.