

## Weekly Market Review June 3, 2022

### Overview

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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 and we are seeing light harvesting out of South Carolina this week. Bainbridge, Georgia will start scratching the middle of next week. Out west, light demand and slowly improving volume continues to keep inventories and FOB prices manageable, but we are seeing a wide range in quality. On the veg side of things, new crop production in South Georgia has ramped up, good volume available on cucumbers, cabbage, soft squash, and bell pepper. Hot pepper is scratching in South Georgia and corn quality is very nice this week and the 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

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- 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 (110's & 150's) – **ESCALATED**
- Mushrooms – **ESCALATED**
- Oranges - **ESCALATED**
- Tomatoes (Round & Roma) - **ESCALATED**

### WATCH LIST

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- Snow Peas
- Sugar Snap Peas

### Transportation

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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

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#### OXNARD, CA:

Thu 6/2	Fri 6/3	Sat 6/4	Sun 6/5	Mon 6/6	Tue 6/7	Wed 6/8	Thu 6/9
67°   57°F	68°   57°F	66°   57°F	70°   59°F	70°   58°F	70°   59°F	71°   60°F	72°   60°F
							
Partly Cloudy	AM Clouds/PM Sun	Partly Cloudy	Mostly Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny

## PALMETTO, FL

Thu 6/2 89°   72°F  PM Thunderstorms	Fri 6/3 87°   72°F  PM Thunderstorms	Sat 6/4 86°   74°F  Scattered Thunderstorms	Sun 6/5 89°   75°F  Partly Cloudy	Mon 6/6 89°   74°F  Isolated Thunderstorms	Tue 6/7 90°   76°F  Partly Cloudy	Wed 6/8 91°   77°F  Mostly Sunny	Thu 6/9 89°   76°F  Isolated Thunderstorms
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## MOULTRIE, GA

Thu 6/2 93°   70°F  Mostly Sunny	Fri 6/3 92°   69°F  Mostly Sunny	Sat 6/4 92°   67°F  PM Thunderstorms	Sun 6/5 91°   69°F  Partly Cloudy	Mon 6/6 91°   70°F  PM Thunderstorms	Tue 6/7 93°   72°F  Mostly Sunny	Wed 6/8 93°   72°F  Partly Cloudy	Thu 6/9 95°   72°F  Isolated Thunderstorms
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## JALISCO, MX:

Thu 6/2 82°   60°F  Mostly Sunny	Fri 6/3 83°   60°F  Mostly Sunny	Sat 6/4 84°   62°F  Sunny	Sun 6/5 84°   63°F  Mostly Sunny	Mon 6/6 84°   64°F  Mostly Sunny	Tue 6/7 80°   64°F  Partly Cloudy	Wed 6/8 80°   64°F  Partly Cloudy	Thu 6/9 80°   65°F  PM Thunderstorms
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## COACHELLA, CA:

Thu 6/2 105°   74°F  Sunny	Fri 6/3 103°   72°F  Partly Cloudy	Sat 6/4 100°   70°F  Mostly Sunny	Sun 6/5 101°   73°F  Partly Cloudy	Mon 6/6 104°   73°F  Sunny	Tue 6/7 105°   74°F  Sunny	Wed 6/8 104°   75°F  Sunny	Thu 6/9 106°   77°F  Sunny
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## SALINAS, CA

Thu 6/2 72°   55°F  Partly Cloudy	Fri 6/3 70°   53°F  Mostly Cloudy	Sat 6/4 70°   57°F  Mostly Cloudy	Sun 6/5 72°   56°F  Partly Cloudy	Mon 6/6 67°   49°F  Partly Cloudy	Tue 6/7 71°   51°F  Sunny	Wed 6/8 72°   54°F  Mostly Sunny	Thu 6/9 77°   60°F  Partly Cloudy
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## Good Buys

Commodity	Market Update	Expert Tip
Rapini / Broccoli Rabe	Excellent supply this week and next.	Blanching, steaming, sautéing, grilling, roasting, and pureeing, broccoli rabe, also known as rapini is such a versatile veg LOADED with vitamins A, B, C, and K and filled with nutrients!

## **Fruits & Vegetables**

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**Avocados: ESCALATED** Last week volume harvested for the U.S. was under 48 million pounds. In preparation for Holiday ads, volume from all origins ramped up a bit, which has left the U.S. inventory at around 53 million pounds. Mexico is approximately 62% of the inventory, California about 27%, Peru a little over 9%, and Colombia just under 2%. Available orchards to harvest continue to decrease, which seems to be holding on to the strong field pricing. Estimated projections report that Mexico should supply approximately 30 million pounds weekly to the U.S. market through the remainder of the current season (end of June). The Flora Loca crops are expected to be released to harvest by July 4th, pending dry matter levels. We are hearing the summer crop is expected to be larger compared to the year prior. We expect the summer crop to favor the 60 counts and smaller, with a good supply of 48 counts and a limited supply of 40s and larger at the beginning of the season. California harvest volume continues to be around 2 million pounds per day. The size curve favors 48 and 60 counts, with limited availability on large sizes. We have passed the halfway point of the season.

**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**

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**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:** Central Mexico yields are lower than anticipated, and the season will likely conclude by mid-June. The US will be the main producing region through June. North Carolina has begun, and its season will be in peak production in the next 3-4 weeks.

**Raspberries:** Mexico continues to downtrend and will do so until the end of June. Additionally, Central Mexico has seen higher decreasing yields due to quality issues. Baja is in peak season and will start a downtrend in the next 5-7 days. The U.S. regions will continue to see uptrends which will help alleviate the lower volumes out of Mexico.

**Blueberries:** The San Joaquin Valley is in peak volumes and will continue over the next week. Baja is past its peak and will begin to see decreasing volumes over the next several weeks. North Carolina production continues to ramp up and should be in peak season in the next 3-5 days. Quality is good with minor defects.

## **California**

### **Citrus**

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**Oranges: ESCALATED** Small oranges remain fairly tight, with market pricing in the low \$20's for choice grade. Very few navels remain. Size structure peaking 56/72, with about 75% being fancy grade.

**Lemons:** Are in full swing, quality has been good. Argentine lemons have started to arrive in a small way. Best buys are on domestic larger sizes (63-95ct).

**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.

**Imports/Specialties:** Imported clemens are available on the east coast. Domestic stone fruit has started (peaches/nectarines/black plums). Mexican Grapes have started in Nogales. Coachella will be available end of next week.

### **West Coast Lettuce**

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**Butter Lettuce:** Steady volume with overall very good quality and markets remain active at steady prices.

**Green Leaf:** Production in Salinas is steady with very good quality and markets are stable with overall good demand.

**Red Leaf:** Production in Salinas is steady with very good quality. Market is stable with overall good demand.

**Romaine and Romaine Hearts:** Quality is very good with just some very light windburn. Overall demand is good with slightly better demand on hearts. Market on romaine 24ct is slightly lower, and romaine hearts remain steady

**Iceberg Lettuce:** Weather has been ideal for growing so we are seeing good supplies and good quality. Market is slightly lower than last week although overall demand remains very good

### **Eastern and Western Vegetables**

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**Green Bell Pepper: ESCALATED** Markets are easing back as more volume becomes available out South Georgia. In Mexico, volume is light as the season winds down over the next several weeks. Coachella continues to produce good volume. 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** Volume has transitioned to South Georgia on all varieties and volume will ramp up this week. Cubanelles and Jalapenos are the best value while long hots, poblano and Hungarian are scratching. In McAllen and Nogales, prices remain firm this week but much improved availability on Anaheim, jalapeno, serrano, and poblano. Jalapenos and tomatillos are firm but should improve as volume ramps up out of Baja.

**Eggplant:** Still some lingering volume remaining in Florida, but the majority of production has moved to South Georgia where we see good volume and quality on the first picks. 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, as well as a few crossings at Otay as well.

**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. Although there are a few stragglers, the heat this week should close the season, and we should see a little bit of availability out of Fresno and the coast this week. 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, and we are seeing new crop start in North Carolina as well.

## Herbs

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Rain continues in Colombia, causing quality issues and some shortages. Expect shelf life and availability on specialty varieties to vary.

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**

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**Cantaloupe:** Cantaloupe production has started to increase as growers moved into the holiday weekend. As is typical for the desert region, sizing has been primarily larger fruit 9cts and 9 jumbos which will most likely continue being the trend in the short term. Early quality from Arizona has been solid. We have good sizing, and cantaloupes also have a nice shell color with good internal quality.

**Honeydew:** Honeydew availability is very short. Domestic honeydews production is limited as few dews are grown from the desert for various reasons. Some areas are susceptible to whitefly while others are prone to higher winds during the growing period, which negatively affects the external quality, so growers either go with cantaloupe or other commodities. Because of this, Mexican production crossing through Nogales will be heavily relied upon over the next 2-3 weeks. Currently, Mexican production is also limited. The current sizing profile for the honeydews has been leaning more to the 6 and 8 cts, with larger fruit being scarce.

**Watermelon:** Good volume available out of Florida/Georgia and ramping up out of Arizona. Overall quality is very nice and lighter volume this week crossing through McAllen and Nogales on minis and seedless.

## **Mixed Vegetables**

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**Artichokes:** Quality is very good with moderate supply and market is steady.

**Arugula:** Supply and quality are good.

**Asparagus:** Southern Baja continues with good production in all sizes. Guanajuato should start-up in the next 7 to 10 days. Peruvian production has slowed down due to some field closures due to market conditions. Markets are less active after the holiday, and with Mexico/Peru/USA regions in 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:** Quality is very good, with very good supply.

**Celery:** **ESCALATED** Pricing remains escalated, although we continue to see a weaker undertone, quality is improving. A few shippers have started in Salinas as we look for volume to increase through the end of June.

**Corn:** Good volume and quality available this week out of South Georgia and Coachella.

**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 is good, and supplies are improving.

**Parsley (Curly, Italian):** **ESCALATED (Italian)** - Quality is good, fair supply on curly parsley with good demand. Very light supply continues and the market is escalated with much higher pricing.

**Rapini:** Excellent supply this week and next.

**Red Cabbage:** - **ESCALATED** Quality is good, market continues 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 and 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:**

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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 mostly be finished, except for cleanup loads primarily on red onions. There remain plenty of 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 are beginning to see the San Joaquin valley area begin their shipping season; however, it has been a slow start due to cooler temps and similar labor/production challenges we are seeing all over. They will have all colors and sizes right out of the gate. We are seeing a similar situation in New Mexico where they have started in a small way but will ramp up to full production on Monday 06/06. Sizing for most 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. While trucks had been tight last week due to the holiday, we have seen capacity improve again this week. Rates have not come back down to the same 'low' levels we experienced for the last several weeks prior.

### **Potatoes:**

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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.

While trucks had been tight last week due to the holiday, we have seen capacity improve again this week. Rates have not come back down to the same 'low' levels we experienced for the last several weeks prior, however.

## **TOMATOES**

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### **East Coast**

- **Round and Roma Tomatoes:** **ESCALATED** Volume continues to be a struggle as the Florida season will be coming to an end soon. Fortunately, we did see a bit more availability as a lighter post Memorial Day demand force prices down a bit this week but expect elevated markets until we transition to South Carolina. There are a few growers harvesting there today and should see volume slowly ramp up. South Georgia will start light production late next week.
- **Grape and Cherry Tomatoes:** We are seeing the same trend in the snacking tomato category as the romas and rounds; firm markets that have come down a bit due to light demand this week. We do expect pricing to remain firm for the category through Mid-June due to light volume.
- **Organic Tomatoes:** Supply will remain limited this week.

### **Mexico**

- **Round and Roma Tomatoes:** We are seeing better volume and quality has improved considerably as we continue to 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:** Strong volume and quality available out of Central Mexico.
- **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**

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**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.