

Weekly Market Review June 10, 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 and we are seeing light harvesting out of South Carolina this week. Bainbridge, Georgia will start scratching this week. Out west, light demand and slowly improving volume continues to keep inventories and FOB prices manageable and quality has improved. With regards to veg, new South Georgia continues strong production on hot pepper, bell pepper, cucumber, while we are seeing cabbage and soft squash season winding down rapidly. Green Cabbage suffered a lot of fields burn forcing growers to walk away. In the Salinas Valley, it is going to get very warm with well above normal temperatures. This could potentially impact quality on certain blocks depending upon locations and growing areas.

Market Alert

- Avocados – **ESCALATED**
- Red 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) EAST - **ESCALATED**

WATCH LIST

- Snow Peas
- Sugar Snap Peas
- French Beans

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.

Good Buys

Commodity	Market Update	Expert Tip
Mini Seedless Watermelon	Excellent supply available this week out of South Georgia and Nogales.	Watermelon and fennel are the PERFECT pairing! The sweet watermelon and the bitter fennel leave your tongue tingling!! Dice up some watermelon, and thinly shave some fennel with a small shallot. Then dress the salad with a mixture of lemon juice, honey, Dijon mustard, olive oil and salt. Then top with some freshly chopped mint.
Anise / Fennel	Good supply continues with very good quality	

Fruits & Vegetables

Avocados: ESCALATED Total avocados shipped into the U.S. market last week were just under 42 million pounds; this was almost 16% less volume than the previous week. Decreased supply is fueled by the decrease in available orchards to harvest in Mexico and has caused strong field pricing, with costs slightly up in the fields this past week. Mexico is expected to continue to harvest the late season crop through June and will likely continue to ship under 35 million pounds per week through the month and until the Flora Loca crops are ready to harvest to meet U.S. standards. California is well into the second half of the season and some Southern California growers are winding their season down ahead of some forecasted heat. Strong market pricing driven by Mexico encouraged California growers to harvest small fruit early in the season this year, harvesting more weekly volume than initially projected per week sooner than estimated.

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. 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.

Berries

Strawberries: Overall volume remains steady as growers reach pre-peak volumes. Cooler temperatures have allowed for good plant establishment and production. Sizing and quality remain good and Watsonville and Salinas volumes continue to increase weekly. Santa Maria should reach peak volumes in about three weeks. Volumes will likely remain steady for the next several weeks.

Blackberries: Central Mexico is expected to end its season over the next 3-5 days. Oxnard volumes are below anticipated volumes. North Carolina continues to increase and will be in peak volumes by mid-June. Santa Maria and Watsonville will hit peak volumes in late June. Good quality with minor defects observed.

Raspberries: Most growing regions in Central Mexico will be ending their season in two weeks. Puebla will begin its season in Central Mexico at the end of June/beginning of July with minimal volume and Oxnard volumes are on the downtrend. However, it should begin to uptrend again in the middle of July and Santa Maria will likely reach its peak by mid to late July. Watsonville and Salinas continue to increase weekly. Overall good quality, appearance, size, and flavor.

Blueberries: Mexico remains in a downtrend with its season ending over the next 10-14 days. The San Joaquin Valley will see strong and decreasing volumes for the next few weeks. Baja is past its peak, and volumes will decrease over the next few weeks. Growers continue to see good quality and flavor.

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 and the market remains 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 overall very good demand on romaine and romaine hearts. The market on romaine 24ct is steady, and romaine hearts remain very active.

Iceberg Lettuce: Weather has been ideal for growing so we are seeing good supplies and good quality. Market is steady although overall demand remains very good.

Eastern and Western Vegetables

Green Bell Pepper: **ESCALATED (West Coast)** We are seeing a split in the market this week with a major flush of fruit available out of South Georgia putting downward pressure on prices and promotions available and quality is outstanding. In the west, Mexico is mostly done for the spring deal and hoping to see a few crossings from Central Mexico pick up out of McAllen over the next 10 days. Coachella volume remains very light and should be wrapping up as we transition to Bakersfield. Markets in the west are quite active but should subside a bit once Bakersfield ramp up.

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: Good volume available out of South Georgia with good volume and quality on the first picks and Coachella is about 1 week out.

Slicer Cucumbers: Good volume available out of South Georgia and quality is outstanding. 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, overall quality has been good; Georgia production is better this week. Transition north should start in the next week or two.

French Beans: **WATCH LIST** Mexico supplies are fair overall and limited labor is creating harvest delays, creating short arrivals on orders limiting what is available to fill the supply chain. Guatemala has been receiving rain for about two weeks, mainly on the coast, and the effects from these storms will hamper supply and quality in the coming weeks.

Zucchini/Yellow Squash: Excellent supply and quality available out of South Georgia on the front end of the week and will transition to North Carolina sometime next week. California is still about one week out from scratching.

Herbs

Steady supply available as summer temps come on, shelf life and availability on specialty varieties vary. Basil color may be lighter green due to the reduced amount of sunlight.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Steady	MEXICO

Opal Basil	Steady	Steady	USA/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
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

Mixed Melon Outlook: *Warmer temperatures are being realized in the desert region, with very hot (109-113F) expected by the weekend, which is accelerating some fields to harvest earlier than originally anticipated. We will remain in the desert through the month of June before moving to our California program in the central valley.*

Cantaloupe: Cantaloupe production has been strong thanks to the heat and typical for the desert region, sizing has been primarily larger fruit 9cts and 9 jumbos with limited availability on 12's and limited 15's, which is normal for the desert season. Current quality reports stating good external color and netting with solid brix ranging from 12-15%.

Honeydew: Domestic availability remains very short but ramping up. Sizing is peaking on 5's and larger which is causing our growers to source smaller sizes from Mexico for the short term. Overall quality is very good; we are seeing some scarring but internal is outstanding with brix ranging from 11-13%.

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

Mini Seedless Watermelon: Excellent supply available this week out of South Georgia and Nogales.

Mixed Vegetables

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

Arugula: Supply and quality are good.

Asparagus: Southern Baja production has slowed down due to seasonality and should wrap up in the next week. Guanajuato's production is getting better every day and should be in full swing in the next 7 to 10 days. Peruvian production remains unchanged. Markets are less active this week with the after-Memorial Day slow down, and 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 as well as Imperial 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, supply is improving.

Parsley (Curly, Italian): **ESCALATED (Italian)** Quality is good, fair supply on curly parsley with good demand. Very light supply continues on flat parsley, 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** U.S. product is good on supply and quality. Out of Central America, rain continues to slow down the production of the snow peas, and we have started to see some quality issues on arrival. Sugar snap volume continues to be steady. We should begin to see Peruvian products towards the end of June.

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

Spring Mix: Supply and quality are good.

Sweet Potatoes and Yams: The market out of North Carolina and Mississippi is beginning to firm up on #1's. We will likely continue to see the market gradually before we get to the new crop in the fall. There are still deals to be had on jumbos and #2's.

Onions:

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 clean-up loads primarily on red onions. There remain plenty of straight load red deals 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 thus far as well, but it does appear to be improving. 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. Freight remains relatively flat from last week to the current week. We are still anticipating there will be spikes related to both fuel increases, and the usual summer holiday interruptions.

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. Freight remains relatively flat from last week to the current week. We are still anticipating there will be spikes related to both fuel increases, and the usual summer holiday interruptions.

TOMATOES

East Coast

- **Round and Roma Tomatoes:** Florida is mostly done for the season, and we have transitioned to South Georgia and South Carolina. Volume is improving daily and should have good supply over the next 3-4 weeks. Mountain tomatoes (Arkansas, Tennessee) are about 4 -5 weeks out.
- **Grape and Cherry Tomatoes:** Excellent supply and quality available.
- **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 and quality continue to improve.
- **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

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.