

# Weekly Market Review

## June 17, 2022

### Overview

We are seeing a lot of heat pressure in the southeast this week that could bring crops on early or potentially damage them, which could cause supply gaps. We are starting to see the seasonal transition begin from South Georgia to Tennessee, the Carolinas and Alabama on the entire vegetable category. Hot peppers continue to be short at all border crossings and Southeast. We hope to see this improve over the next 2-3 weeks as newer regions ramp up production. In the west we are transitioning from the desert to the central valley on pepper, corn, beans and squash. 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. In addition, the INSV virus is showing in some fields throughout the valley which could cause some decrease in available supplies from certain shippers.

### Market Alert

- Avocados – **ESCALATED**
- Red Cabbage – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Green Beans (WEST) - **ESCALATED**
- Hot Peppers – **ESCALATED**
- Italian Parsley - **ESCALATED**
- Mushrooms – **ESCALATED**
- Oranges - **ESCALATED**
- Tomatoes (Round & Roma) - **ESCALATED**

### WATCH LIST

- Asparagus (X-Large & Jumbo)
- Bananas
- Red/Yellow Bell Pepper- WEST
- 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.

### Weather

#### OXNARD, CA:

Thu 6/16	Fri 6/17	Sat 6/18	Sun 6/19	Mon 6/20	Tue 6/21	Wed 6/22	Thu 6/23
69°   59°F	68°   55°F	69°   56°F	69°   57°F	74°   60°F	73°   60°F	72°   59°F	71°   59°F
							
AM Clouds/PM Sun	Partly Cloudy	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny

### QUINCY, FL

Thu 6/16	Fri 6/17	Sat 6/18	Sun 6/19	Mon 6/20	Tue 6/21	Wed 6/22	Thu 6/23
99°   72°F	99°   74°F	99°   73°F	99°   71°F	97°   72°F	96°   73°F	102°   74°F	104°   74°F
 PM Thunderstorms	 Mostly Sunny	 Partly Cloudy	 Sunny	 Sunny	 Partly Cloudy	 Mostly Sunny	 PM Thunderstorms

### MOULTRIE, GA

Thu 6/16	Fri 6/17	Sat 6/18	Sun 6/19	Mon 6/20	Tue 6/21	Wed 6/22	Thu 6/23
99°   74°F	99°   76°F	99°   74°F	95°   71°F	95°   72°F	98°   74°F	102°   75°F	104°   75°F
 Mostly Sunny	 Mostly Sunny	 Partly Cloudy	 Sunny	 Mostly Sunny	 Partly Cloudy	 Mostly Sunny	 PM Thunderstorms

### JALISCO, MX:

Thu 6/16	Fri 6/17	Sat 6/18	Sun 6/19	Mon 6/20	Tue 6/21	Wed 6/22	Thu 6/23
89°   68°F	85°   66°F	80°   65°F	83°   67°F	86°   68°F	83°   68°F	84°   66°F	86°   66°F
 PM Thunderstorms	 PM Thunderstorms	 Thunderstorms	 PM Thunderstorms	 PM Thunderstorms	 PM Thunderstorms	 PM Thunderstorms	 PM Thunderstorms

### FRESNO, CA:

Thu 6/16	Fri 6/17	Sat 6/18	Sun 6/19	Mon 6/20	Tue 6/21	Wed 6/22	Thu 6/23
96°   57°F	77°   54°F	80°   54°F	87°   59°F	95°   63°F	103°   66°F	105°   66°F	103°   65°F
 Sunny	 Cloudy	 Sunny	 Sunny	 Sunny	 Sunny	 Sunny	 Sunny

### SALINAS, CA

Thu 6/16	Fri 6/17	Sat 6/18	Sun 6/19	Mon 6/20	Tue 6/21	Wed 6/22	Thu 6/23
69°   54°F	67°   54°F	68°   51°F	71°   50°F	77°   54°F	82°   55°F	79°   54°F	73°   52°F
 Sunny	 AM Clouds/PM Sunny	 Partly Cloudy	 Partly Cloudy	 Sunny	 Sunny	 Sunny	 Mostly Sunny

## Good Buys

Commodity	Market Update	Expert Tip
Grape Tomatoes	Excellent supply and quality available.	Have you ever tried a melon and tomato salad? It's the perfect refreshing and cool dish for summer! Combine melon and tomatoes in a bowl and mix in canola oil, lime juice, vinegar, honey, lime zest, salt and pepper. You can even add cucumbers!
Cantaloupe and Honeydew	<p><b>Cantaloupe:</b> 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%.</p> <p><b>Honeydew:</b> Domestic availability continues to improve, and sizing is peaking on 5's and larger; Mexico is starting to slow down. Overall quality is very good; we are seeing some scarring but internal is outstanding with brix ranging from 11-13%.</p>	

## Fruits & Vegetables

**Avocados: ESCALATED** Mexico's harvests saw another considerable drop, a 25% decrease this week, which followed a 21% decrease last week. Fortunately, California, Peru, and Colombia stepped up to fill the gap. The remaining Mexican fruit for the season will be priced high due to the limited acreage and quality fruit left on the trees. July is the calendar beginning for the Mexico avocado season, and historically the Loca crop hasn't been harvested before July 1st. However, with the current volume shortages, APEAM is making an exception, and pending minimum dry matter requirements, some Loca fruit could be harvested as early as next week. Each orchard has to be approved, so we should expect a slow start – limited volumes will continue through next week with some relief. The Loca crop is estimated to be bigger than last summer, with expectations for lower markets from late July through the summer.

**Bananas: WATCH LIST** We are seeing upward pressure on pricing this quarter due to inflationary pressures here in the States as well as Central America. Components such as corrugate, resin, fungicide, labor and shipping costs continue to rise to record levels. In addition to this, we expect to see lighter volume out of Central America as a result of some growing issues related to Hurricane

Agatha as well as a spike in demand from Europe and Russia. We should see volume improve by August.

**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**

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**Strawberries:** We expect to see good supply for the next five weeks. Warm weather has accelerated fruit maturation, leading to more volume than expected. Peak supplies are expected next week. Growers continue to work hard to harvest good quality. Fruit size continues to trend toward the larger sizing in Watsonville and Salinas due to warmer temperatures.

**Blackberries:** We will have North Carolina, Watsonville, Oxnard, and Santa Maria in peak production in the US during the next two weeks. Over the weekend, warmer temperatures added additional supply during the second week of June. After the heat event, we expect Oxnard to descend from its peak production while Santa Maria and Watsonville offset the expected decreases. Central Mexico will finish up this week. Good quality, appearance, and flavor with low defects observed.

**Raspberries:** Central Mexico will finish its season next week with minimal volume. Puebla is expected to start harvest at the end of June/early July. We will continue to see an uptrend in Salinas and Watsonville and reach the peak next week, then gradually downtrend after that. Santa Maria will also continue to uptrend and reach its peak by the middle of July. Oxnard will continue to uptrend until the middle of July and slowly downtrend after that. Overall good quality, size, and taste. Growers see some slight defected fruit but continues to have crews work through product.

**Blueberries:** The Central Mexico season is ending, with the final harvests this week. Baja is downtrending and will continue harvesting for a few more weeks. The San Joaquin Valley is past its peak and will have a few more weeks of production. North Carolina will see two more weeks of solid volumes. New Jersey will begin production this weekend. Overall good quality out of all regions.

## **California**

### **Citrus**

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**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:** 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**

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**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**

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**Green Bell Pepper:** Good volume and quality expected over the next week due to newer growing regions ramping up in the west and strong production out of South Georgia. We will need to keep an eye on the southeast as we are experiencing a heat wave bringing record high temps to the regions.

**Red Bell Pepper:** **WATCH LIST (WEST)** Good Supply and quality available **out of Canada and Mexico. California will have very limited supply on #1 fruit through June.**

**Yellow Bell Pepper:** **WATCH LIST (WEST)** Good Supply and quality available **out of Canada and Mexico. California will have very limited supply on #1 fruit through June.**

**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 quality. Volume expected to ramp up this week out of Fresno.

**Slicer Cucumbers:** Steady volume expected this week and quality will be fair in the southeast due to the heat. Out west we are still seeing steady numbers crossing through McAllen and Nogales with Otay ramping up as well. Quality is far better out west seeing

**deep dark green skin with very little blemish. In the east due to the heat, we are seeing lighter color and some shelf life concerns.**

**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 limited volume available this week.

**Green Beans:** **ESCALATED** We are seeing light volume 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 growers are heading into new fields, but lack of labor continues to hamper the actual available supply for shipping daily. Guatemala production has slowed down due to rain the last few weeks. Yields are decreasing due to quality. Expect this trend for the next 2-3 weeks. The expected delay and/or gap out of Guatemala will put additional demand on Mexican products, and with hampered shipping levels, expect markets to increase 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

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**Chervil** has taken a bit of a hit due to the recent heat wave. **Dill** also was affected as the heat will cause dill to have a purple tint instead of green. This should only be a temporary issue. **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**

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**Mixed Melon Outlook:** *Ongoing heat will bring the crop on, and blocks slated to be harvested days from now are now ready. This coming on of the crop could bring potential gaps as we transition next month to California. We will need to evaluate as we approach July but for now expected to 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 continues to improve, and sizing is peaking on 5's and larger; Mexico is starting to slow down. 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. In the far west we are seeing decent volume out of the Central Valley, Imperial Valley and Western Arizona.

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

## **Mixed Vegetables**

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

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

**Asparagus: WATCH LIST (X-Large & Jumbo)** Guanajuato's production is increasing every week. This trend will continue through the end of August, depending on the weather. Peruvian production has slowed down due to cold weather in the growing regions. Due to this cold weather, we have started to see a short supply in the X-large and Jumbo.

**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: Steady volume expected through the 4<sup>th</sup>, however we are evaluating conditions as there was a storm that impacted the growing regions in** South Georgia this week. In the west we expect good volume out of the valley for the 4<sup>th</sup> of July pull at retail.

**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 growers continue to see some quality issues on arrival. Sugar snap volume is 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:** 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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The Imperial Valley, CA is entirely finished except for clean up loads on red onions. The rest of this production has now moved entirely up to San Joaquin Valley, CA. As expected, the suppliers in the San Joaquin Valley area do not have very much to sell outside of red onions, and occasionally some jumbo yellows. Between a decrease in acreage, decrease in production, and then the majority of volume being committed to program business, there is just not a lot of open market product available. Their size profile appears to be healthy with peak size being on jumbos and colossal, and mediums and supers being more limited. New Mexico is full steam ahead on their crop as well. While they started off with size challenges last week, their profile has improved some and we are seeing better availability of large size jumbos, colossal, and Super Colossals. We are beginning to see various gaps between the early and late crops in CA as well as NM. Because of this, many believe onions will get very tight toward the end of June/early July and prices could spike. The big news 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. 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.

### **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. However, everything is becoming limited. We are approaching a point where price is becoming secondary to simply having supply at all. There is no question we will continue to see the market move up on all potatoes out of all regions until harvest is

in full effect in the Fall. Production has been severely cut back due to the heat that affected this past Summer's Burbank crop. This was always anticipated, however, it is a lot worse than anybody imagined. 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 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 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:** We have transitioned to South Georgia and South Carolina. Volume is improving daily and should have good supply over the next 2-3 weeks. Mountain tomatoes (Arkansas, Tennessee) are about 4 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.

### **California**

- **The 2022 season has started to ramp up out of the Central Valley. We should see steady number this week and increased availability over the next two weeks. Quality is looking good.**

## **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.