

Weekly Market Review July 8, 2022

Overview

We are seeing a lot of heat pressure in the southeast this week that could impact the yield and will see some items have light availability this week, particularly bell pepper and soft squash out of North Carolina. We are also seeing some light volume out of Michigan as well. Cucumbers remain short on both coasts as transition and heat impact availability. Corn volume will continue to be light this week while tomatoes are ramping up out of North Carolina, Alabama, and Tennessee. In the west we are seeing more volume out of the Central Valley and Baja on all tomato varieties. Corns, beans, peppers, and squash are all in transition to the valley. Bananas will remain snug for the next 3-4 weeks; we do not expect shortages at this time and are evaluating with our partners daily.

Market Alert

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| <ul style="list-style-type: none"> • Asparagus (XL & Jumbo) – ESCALATED • Avocados – ESCALATED • Bell Peppers - ESCALATED • Cabbage – ESCALATED • Carrots (Jumbo) – ESCALATED • Cucumbers- ESCALATED • Corn- ESCALATED | <ul style="list-style-type: none"> • Garlic – EXTREME • Ginger – EXTREME • Green Beans - ESCALATED • Hot Peppers – ESCALATED • Romaine Hearts - ESCALATED • Mushrooms – ESCALATED • Oranges - ESCALATED |
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WATCH LIST

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| <ul style="list-style-type: none"> • Bananas • Broccoli Bunch and Broccoli Crowns • Melons - Cantaloupe and Honeydew | <ul style="list-style-type: none"> • Snow Peas • Sugar Snap Peas • French Beans |
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Transportation

Decreased demand and improved capacity have reduced the base cost of freight through Q1, but the increased cost of diesel has mitigated the savings seen with the improved capacity. The average fuel surcharge per mile in December 2021 was \$0.40/mile with the current May average now at \$0.71/mile. Diesel prices are projected to remain high as global oil demand has surged above pre-Covid levels while supply has tightened due to international sanctions on Russian oil exports caused by the Russian invasion of Ukraine.

Weather

OXNARD, CA:

Thu 7/7	Fri 7/8	Sat 7/9	Sun 7/10	Mon 7/11	Tue 7/12	Wed 7/13	Thu 7/14
71° 59°F	71° 59°F	71° 60°F	72° 59°F	70° 59°F	69° 58°F	69° 59°F	72° 61°F
							
Sunny	Partly Cloudy	Mostly Sunny	Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy

HENDERSONVILLE, NC

Thu 7/7	Fri 7/8	Sat 7/9	Sun 7/10	Mon 7/11	Tue 7/12	Wed 7/13	Thu 7/14
88° 69°F	87° 70°F	85° 67°F	76° 64°F	80° 64°F	85° 67°F	86° 65°F	82° 64°F
							
PM Thunderstorms	PM Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	AM Showers	PM Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms

JALISCO, MX:

Thu 7/7	Fri 7/8	Sat 7/9	Sun 7/10	Mon 7/11	Tue 7/12	Wed 7/13	Thu 7/14
82° 66°F	83° 67°F	83° 67°F	82° 67°F	79° 67°F	82° 67°F	84° 66°F	83° 67°F
							
PM Thunderstorms	Thunderstorms	PM Thunderstorms	PM Thunderstorms	Thunderstorms	PM Thunderstorms	Thunderstorms	Thunderstorms

FRESNO, CA:

Thu 7/7	Fri 7/8	Sat 7/9	Sun 7/10	Mon 7/11	Tue 7/12	Wed 7/13	Thu 7/14
95° 65°F	99° 66°F	98° 64°F	101° 69°F	107° 71°F	106° 70°F	103° 70°F	104° 72°F
							
Sunny	Mostly Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Partly Cloudy

SALINAS, CA

Thu 7/7	Fri 7/8	Sat 7/9	Sun 7/10	Mon 7/11	Tue 7/12	Wed 7/13	Thu 7/14
71° 54°F	73° 56°F	69° 54°F	73° 55°F	76° 56°F	73° 56°F	73° 57°F	75° 58°F
							
Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy

Good Buys

Commodity	Market Update	Expert Tip
Red Grapes	Good volume continues to cross from Mexico where deals are being made. Overall good quality continues. We are seeing some fruit available out of Coachella as well.	Grapes are one of THE BEST grab and go snacks, but did you know that are a rich source of copper and vitamin K? Copper is an essential mineral involved in energy production, while vitamin K is vital for blood clotting and healthy bones. Try freezing your grapes and having them as a great summer snack, or even using them as ice cubs for a fun take on a summer drink!

Fruits & Vegetables

Avocados: **ESCALATED** Mexico contributed 33.1 million pounds, a 71% increase over the previous week. Loca crop is estimated to be much larger in volume and size curve than last summer, we should continue to see these larger numbers. Standing inventories in the U.S. are up to 51 million pounds – a change from last week's 37.6 million pounds. The market is in a state of adjustment with this new Loca fruit arriving. After pricing settles after this initial wave of volume, we anticipate some stability returning to the avocado

category. The Loca fruit will handle differently as the dry matter resets with every new bloom – it will take longer to ripen and have a longer shelf-life.

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 because of some growing issues related to Hurricane Agatha as well as a spike in demand from Europe and Russia. In addition to these inflationary pressures, we are seeing some of our partners be impacted by a tropical storm that has brought heavy rain to Guatemala. We are seeing some supply disruptions in getting fruit to the ports for shipment, but we are in contact with our partners should this continue to be an issue. Currently, we do not anticipate any shortages, but again, are assessing this daily with our partners to ensure consistency in the supply chain.

Pineapples: Pineapple availability continues to be okay. Trending to size 5 and 6cts and availability on 7cts remains limited.

Grapes: Overall good quality continues. Good volume continues to cross from Mexico where deals are being made. We are seeing some fruit available out of Coachella as well.

Berries

Strawberries: Overall volume expected to down-trend moving forward. The warmer weather caused some quality issues over the past few weeks. However, cooler temperatures are expected to help improve fruit quality, but fruit sizing will decrease.

Blackberries: North Carolina's peak is over, and volume will downtrend over the next few weeks. Volume will likely ramp up in mid-July when the California regions reach the summer peak.

Raspberries: Baja, Northern California, and Oxnard supply will continue to downtrend over the next few weeks, while Santa Maria and Canada supply is increasing. Baja should begin to uptrend by the end of July. Supply will remain steady over the next several weeks.

Blueberries: The California blueberry crops have ended abruptly to the season due to heat and quality issues. The Pacific Northwest (Oregon, Washington, and British Columbia) are delayed due to cold and wet weather. Supply over the next 5-7 days will be extremely limited.

California

Citrus

Oranges: ESCALATED Valencia's are showing to be 25% down as an industry peaking on smaller fruit. Due to the industry being 25% down this season, we are anticipating the market to stay very strong all summer. The average diameter of the fruit is the smallest it's been for many years to start.

Lemons: Lemons have started to tighten up. D1 lemons (Central Valley) have now finished for the season, which was much later than usual. D2 (coastal region) has had very little fancy fruit, very heavy choice, and standards, but some rough fruit this season. D2 is very yellow, soft, and has heavy scares – this is normal for D2 lemons, and growers will grade as hard as they can and work through it.

Limes: Volume is steady on small limes; however, the crop is simply not sizing up at this point and 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. We expect the potential for volatile markets to continue through August due to size and various weather-related pressures.

Grapefruit: Ruby grapefruit now available and 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 are available.

West Coast Lettuce

Butter Lettuce: We are seeing steady to slightly better supplies with overall very good quality. Market remains steady.

Green Leaf: Production in Salinas is steady with overall good quality although there are some reports of windburn. Market is steady with strong demand.

Red Leaf: Production in Salinas is steady with overall good quality and market remains steady.

Romaine: Quality is very good with occasional reports of windburn and the market on romaine 24ct is steady with good supply.

Romaine Hearts: **ESCALATED** Quality is good with overall very good demand. Market remains very active; contract pricing is escalated.

Iceberg Lettuce: Supply is lighter with yields on both cartons and pounds per acre reduced due to the INSV virus. Quality continues to be good on product not affected by the virus, but many growers are having to leave a lot of products in the fields due to quality. The market is active and there are a wide range in prices.

Eastern and Western Vegetables

Green Bell Pepper: **ESCALATED** Volume is very light in the west as transition from the desert to the Central Valley is underway in the west. In the east, Georgia is done and light volume is available as we transition to North Carolina and Michigan. Volume is also very light crossing from Mexico. We should see supply improve over the next 10 days.

Red Bell Pepper: **ESCALATED** Limited supply this week, particularly #1 fruit, the desert is done, and we should be in full production late next week out of the valley. Good availability on Mexican and Canadian Hot House

Yellow Bell Pepper: **ESCALATED** Limited supply this week, particularly on #1 fruit as quality is quickly declining in the desert. Good supply and quality available out of Canada and Mexico.

Mini Sweet Pepper: Supplies were tighter this week; quality is remains outstanding

Mixed Chili Pepper: **ESCALATED** In the south, light volume continues on all varieties. 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: Lighter supply out of South Georgia this week as the season starts to wind down and will begin transitioning soon. In the west good volume available out of Fresno.

Slicer Cucumbers: **ESCALATED** Supply is very tight; South Georgia is about done, and we are in transition to North Carolina and Michigan this week. In the west, crossing continue through McAllen, Nogales and Otay with very high demand as quality and availability is far better than in the east with strong with 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. We hope availability in the east improves this week.

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 as well as the southeast this week. Overall quality has been good.

French Beans: **WATCH LIST** Arrivals have improved this week with better weather in Guatemala. Overall quality has remained good. Mexico's product quality has been good, but heat-related issues are starting to affect quality and shelf life with increased temperatures.

Zucchini/Yellow Squash: Supply is lighter this week in the east as we start to transition out of South Georgia and move to the Carolinas and Michigan. This is causing upward pressure on the market. However, we should only see this for the next week to ten days. Good volume being harvested out of the Central Valley in the west.

Herbs

Chervil supplies will remain tight for the summer due heat damage. Tarragon and Parsley are good substitutes. **Dill** also was affected as the heat will cause dill to have a purple tint instead of green. Growers will do their best to clean the issue out. **OREGANO, THYME, and MARJORAM** saw flowering due to the heat. Growers will do their best to clean out the flowers.

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: We are seeing production ramp up on the Westside district of California. Once we settle into the region we will be there through Mid-October.

Cantaloupe: **WATCH LIST** Initial sizing should settle mostly with 9ct followed closely by 12s. Temperatures are forecasted for the balance of this week to be in the low to mid 90s before the heat turns up with triple digit temperatures arriving by the weekend. The hotter temperatures next week, with cooler nighttime temps, should accelerate the sizing by mid to late next week.

Honeydew: **WATCH LIST** Honeydew production in the San Joaquin Valley will start to pick up by this weekend. Sizing here is forecasted to be heavier to the larger fruit (5ct) leaving 6/8s in an extremely limited position in the short-term until volume starts to increase. Quality of dews should improve as we move away from the desert production which typically has a higher likelihood of scarring.

Watermelon: Overall quality is very nice and lighter volume this week, but markets are firm. Plenty of loading options out there from California, Arizona, Arizona, South Georgia, Texas, South Carolina, and Missouri.

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

Mixed Vegetables

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

Arugula: Supply and quality are good.

Asparagus: ESCALATED (X-Large & Jumbo) Guanajuato's production has increased with excellent weather in the region. Sizing is still mostly standard and large. Peruvian production continues to slow down due to cold weather in the growing regions. Due to the cold weather, we continue to see short supply of XL and Jumbo. Large has also been affected this week.

Broccoli/Broccoli Florets: WATCH LIST Supply will continue to be lighter through next week. We are seeing some occasional brown bead and hollow core. Market is very active

Brussels Sprouts: Sprout demand remains good, and supply is somewhat improved this week, but we continue to ongoing quality issues.

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: Steady volume and quality is improving.

Corn: ESCALATED Supply will remain snug this week keeping pressure on pricing out of South Georgia and California. Overall quality

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 Co. is now shipping product of Mexico with the transition to new crop California estimated to start July 20th.

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 saw a considerable decrease due to adverse weather. Market remains active

Green Onions: Supply is good with very good quality, Market is slightly higher

Jicama: Steady supply available crossing through McAllen.

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

Mushrooms: ESCALATED Quality is good despite supply being lighter than expected. We continue to see lack of labor, shortages in component of growing such as peat moss and other inflationary pressures. 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, market continues active.

Parsley (Curly, Italian): Quality is good, supply is improving with good demand. Market is slowly declining

Rapini: Excellent supply this week and next.

Red Cabbage: **ESCALATED** Market continues active with extremely light supply

Snow Peas and Sugar Snaps: **WATCH LIST** Rain in Guatemala continues to slow down the production of snow peas, causing some quality issues. Sugar snap volume continues to be steady. Peruvian quality is excellent. U.S. product is good on supply and 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:

The market had a generally 'tight' feeling out of all areas this week. Between gaps between the early and late plantings in California, as well as heavy rain in New Mexico, supply experienced a big enough interruption that we should begin to see the market move up on yellow and white onions. There remains straight load deals on red onions out of California and New Mexico. This is likely a situation we will see continue up until the 4th of July holiday. Growers are having to push back ship dates on loads and will need to get caught up before they can take new orders. The shipping delays caused by the 4th of July closures are not likely to help that take place. Even after the holiday is past, we are not likely to see growers become long on product. Between a decrease in acreage, decrease in production, and the majority of volume being committed to program business, there is not a lot of open market product available. While size profiles have been healthy out of both regions thus far, the later fields are expected to be much smaller. If this is the case, we may see medium pricing pressured down, and jumbos and larger increase faster. The less than optimal growing conditions on this next Fall crop in the Northwest will push the crop back by several weeks. This is giving New Mexico and California growers confidence to hold pricing as there is no immediate influx of new supply expected to enter the market. The concerns for yield and size in the Northwest crop continue to loom as purchasers begin to seek out new contracts. While there is plenty of time until the crop will be harvested, growers are apprehensive to commit their crop any further at this time Trucks have remained relatively plentiful out of all regions. Rates are seeing a bit of an uptick, and we should expect they will climb further as we approach the 4th of July holiday.

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; 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 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 currently 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. Trucks have remained relatively plentiful out of all regions. Rates are seeing a bit of an uptick, and we should expect they will climb further as we approach the 4th of July holiday.

TOMATOES

East Coast

- **Round and Roma Tomatoes:** Limited supply available out of South Georgia as the season ends. We have transitioned to North Carolina, Alabama and Tennessee, and expect volume to improve daily on the rounds and quality is very nice. Romas are still tight out of the east but expect more volume over the next 2-3 weeks.
- **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 Baja and Jalisco. Volume will continue to improve, and quality is outstanding.
- **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

- Good quality and availability on both rounds and romas.

APPLES, PEARS, STONE

FRUIT

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.

Stone Fruit: California: Good volume available on white and yellow flesh variety peaches and nectarines. Good volume available on yellow and white flesh nectarines. **East Coast:** South Carolina volume is steady and quality outstanding on yellow flesh peaches.

Cherries: Extremely light supply available due to production GAPS. California is done.

Apricots: Fair supply available out of California.