

Weekly Market Review September 2, 2022

Overview

Colored bell peppers continue to be a challenge due to low production and insect pressure causing quality issues. Tomato volume remains extremely light in the east due to rain and harvest delays, while in the west production continues to be lighter than normal due to water shortages and higher growing costs. We continue to see steady volume crossing from Mexico on romas and snacking tomatoes while rounds are very short, and demand is high due to the other tomato growing regions being so short. Markets are very high this week on rounds. Soft squash is very short in the west as we are transitioning fields, while in the east weather has impacted yield, making supply extremely short. Cucumbers are tight in the west and crossing through Mexico while supply eases up in the east. Transition to South Georgia is about one month away. We will need to keep a close eye on California this week as they will be experiencing a heat wave that will certainly impact harvesting times and quality. Pineapple volume is down as part of the natural harvest cycle and large fruit is lighter in volume. A high pressure system will be setting in over the weekend and into next week in California and "ALL" growing regions will be effected by "Well Above Normal Temperatures". The south end of the Salinas Valley (Gonzales, Soledad, Greenfield and King City) is forecast to see temperatures in excess of 110 degrees. These high temperatures will have a significant effect on quality and supplies for the remainder of the season. Over the next ten days, all California berry growing regions will experience a temperature rise. Daytime temperatures are forecast to reach the low to high 80s and even into the 90s. The more significant concern will be the nighttime temperatures. The forecast shows 3-5 nights in different growing regions with temperatures in the 60's. The fruit misses out on the recovery period during cooler nighttime hours. With this missing, combined with all of the issues that already exist due to the high humidity, we likely will see higher levels of bruising and, overall, softer fruit. Additionally, the other concern we have is fruit sizing.

Market Alert

- Asparagus – **ESCALATED**
- Bell Peppers (Red and Yellow) - **ESCALATED**
- Cabbage (Red) – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cucumbers- **ESCALATED**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Green Onions – **EXTREME**
- Lettuce (Iceberg, Romaine/Romaine Hearts & Green Leaf) – **ESCALATED**
- Potatoes - **EXTREME**
- Soft Squash- **ESCALATED**
- Limes - **ESCALATED**
- Mushrooms – **ESCALATED**
- Tomatoes - **ESCALATED**
- Oranges – **ESCALATED**

WATCH LIST

- Green Beans
- Pineapples
- Seedless Watermelon, Mini Seedless Watermelon, Honeydew
- Snow Peas
- Sugar Snap Peas
- Hot Peppers

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

Good Buys

Commodity	Market Update	Expert Tip
Peaches	Good volume available on white and yellow flesh variety peaches. East Coast: VA, WV, MD PA and SC all seeing steady and good quality on yellow flesh peaches.	What better way to celebrate the end of summer than to grill peaches? Grilling peaches helps elevate their sweetness and juiciness. It is a perfect side dish for an end of summer barbecue. To grill, cut the peaches in half and brush with olive oil. Grill the peaches uncovered for about 4-5 minutes on each side. They are perfect served with ice cream and honey. Enjoy!

Fruits & Vegetables

Avocados: Last week closed out at 55.9 Mil lbs. for the US – almost identical to the previous week only with Mexico growing in market share. Mexico accounted for 61% of total volume, while Peru dropped to 34% - down from their high of 42% market share 4 short weeks ago. The pricing spread between sizes continues to narrow with small fruit steadily holding ground. Peru is down almost 20% in volume over the previous week, and we can expect another 4-5 weeks of arrivals before the season closes.

Bananas: Good volume and quality will be available.

Pineapples: **WATCH LIST** Pineapple availability is lighter than normal due to the groves are in the flowering process. Size curve is leaning heavy to 8's with 5 and 6's being shorter than normal.

Grapes: Overall good quality and good volume out of the Central Valley on all varieties.

Berries

Strawberries: Overall we expect volumes to continue to drop out of Salinas and Watsonville. Wet mornings and warm days have contributed to an increase in decay. Growers will continue monitoring plants to keep them and the fruit in good health. Santa Maria crop looks good and volumes out of this region is increasing.

Blackberries: Supply is expected to remain at the current levels for another 3-5 days before seeing a downtrend as the regions are past their peak. The regions see good quality, size and flavor.

Raspberries: Growers will slowly transition over the next several weeks from California to Mexico. Volumes are expected to rise until heating peak season come October/November. Growers report good quality, size, and color.

Blueberries: The Pacific Northwest volume continues to decline quickly. Light volumes are expected out of New Jersey for another 3-5 days. Mexico's production remains low but should begin to increase next week. Baja production is ramping up. Fruit out of all regions is showing good quality.

California

Citrus

Oranges: **ESCALATED** Valencia's are showing to be 25% down as an industry. We are anticipating the market to stay very strong all summer with market pricing in the high \$20s.

Lemons: Lemons have started to tighten up now that D1 lemons (Central Valley) have finished for the season. D2 (coastal region) has had very little fancy fruit, very heavy choice and standards, but some rough fruit this season. D2 is yellow, soft, and has heavy scars – this is normal for D2 lemons, and growers will grade as hard as they can and work through it. Size structure peaking 200/235F. As is typical this time of year, as domestic supply of lemons starts to wind down, some shippers will supplement with Chilean and Mexican fruit.

Limes: **ESCALATED** The market continues to react as costs increase in Mexico. There is declined representation of #1-grade fruit due to low pack-out yields. Overall quality is deteriorating, including lighter coloring, decreased shelf life, and increased skin breakdown/styler that typically appears after the fruit is packed and shipped. This is typical of seasonality trends caused by extremely high temperatures and humidity.

Grapefruit: Ruby grapefruit is 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: Imported clementines and kiwi are available.

West Coast Lettuce

Excessive heat will impact the west this week and only further worsen drought conditions. We will most likely see limited harvest times, yields and quality. We will watch this development closely and keep you updated should we see any issues that will impact availability.

Iceberg Lettuce: **ESCALATED** : Supplies continue to be lighter due to lower yields from disease and viruses. The forecast this week is for high heat starting late this week and into next week. Look for diseases and viruses to rise with elevated temperatures and the holiday and impact on demand. The forecast for the market to continue high.

Romaine, Romaine Hearts, Green Leaf, Red Leaf-ESCALATED, Butter Lettuce – WATCH LIST: Demand will continue to be good, however, supplies will be challenged. Markets should remain strong. With the expected heatwave, this could affect quality and supplies. Virus pressure and especially Fusarium issues will flare up and cause more problems than we expect.

Eastern and Western Vegetables

Excessive heat will impact the west this week and only further worsen drought conditions. We will most likely see limited harvest times, yields and quality. We will watch this development closely and keep you updated should we see any issues that will impact availability.

Green Bell Pepper: Supply is hit and miss this week mainly due to lighter supply but expected to improve over the next week. Quality is good.

Red Bell Pepper: ESCALATED Markets are holding strong as supply remains limited this week due to heat and insect pressure causing quality issues in the fields.

Yellow Bell Pepper: ESCALATED Markets are holding strong as supply remains limited this week due to heat and insect pressure causing quality issues in the fields.

Mini Sweet Pepper: Better availability this week and quality is outstanding

Mixed Chili Pepper: WATCH LIST In the east, we continue to see light volume on jalapeno and very short on all other varieties. In McAllen, volume is steady on all varieties but tomatillo, habanero, and Anaheim. Seeing quality issues and low production from Coahuila and Chihuahua. In the far west, we are seeing improving numbers cross through Otay on all varieties and should see better volume weekly out of the Central coast as well.

Eggplant: Normal supply and good quality available.

Slicer Cucumbers: ESCALATED Markets remain firm, and the supply has flipped, better supplies are available in the east while crossing through Texas and Otay are down this week. We should see this improve over the next several days; overall quality is mixed and there is a large spread in price based on quality this week.

English Cucumbers: Good quality and lighter supply available out of California, Mexico and Canada. Higher demand and lighter supply have put upward pressure on pricing and we expect to see it continue until we see better availability on slicers.

Pickles: Lighter volume available this week out of Central Mexico, Canada, and Michigan and quality is fair.

Green Beans: WATCH LIST Quality is hit and miss and there is an upward tick in pricing. We expect tighter markets over the next week.

French Beans: Production and quality remains good.

Zucchini/Yellow Squash: ESCALATED Short supply this week is expected as we are in transition in California, while the east is dealing with losses due to weather. With the short supply in the east, they are pulling more volume from the west and driving prices higher. We are expecting short markets through the 2nd week of September and do not expect pro-rates of shortages on contracts at this time.

Herbs

Rain is still affecting all herbs from Colombia, but quality and production have improved from Mexico. **CHERVIL** quality continues to be affected by heat in Mexico and domestic growing regions.

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	Limited	Marginal	USA
Chives	Steady	Steady	MEXICO
Cilantro	Steady	Steady	USA
Dill	Steady	Steady	USA
Epazote	Steady	Steady	MEXICO
Lemongrass	Steady	Steady	USA
Marjoram	Limited	Flowering	MEXICO
Mint	Steady	Steady	USA
Oregano	Limited	Flowering	MEXICO
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Steady	MEXICO
Sage	Steady	Steady	MEXICO
Savory	Steady	Steady	USA
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	MEXICO
Thyme	Steady	Steady	USA
Lavender	Steady	Steady	USA
Lemon Thyme	Steady	Steady	USA
Lime Leaves	Steady	Steady	USA

Melons

Cantaloupe: The cantaloupe market is beginning to be two-tiered with larger sizes (9/9Js) fetching higher pricing while smaller fruit (12/15s) remain more challenging. Overall quality continues to be excellent with good external color and brix levels holding in the 14-16% range.

Honeydew: WATCH LIST The honeydew market remains in a very limited position and larger dews continue to be extremely limited while some 8ct have become sporadically available. Flexibility of sizing may be required at the time of loading.

Watermelon: WATCH LIST Overall quality is very nice, strong demand and light volume are keeping markets firm this week. Fortunately, there are plenty of loading options out there from California to Illinois, Texas, North Carolina, Michigan, and Missouri.

Mini Seedless Watermelon: WATCH LIST Extremely limited supply available this week mainly due to high demand and excessive heat.

Mixed Vegetables

Excessive heat will impact the west this week and only further worsen drought conditions. We will most likely see limited harvest times, yields and quality. We will watch this development closely and keep you updated should we see any issues that will impact availability.

Artichokes: Quality is very good, and supply will be lighter over the next several weeks.

Arugula: Supply and quality are good.

Asparagus: ESCALATED Guanajuato's production remains the same as last week. Peruvian production continues to be steady on small and standard. Short supply continues on Large, XL, and Jumbo, but this should change in about 1-2 weeks with growers opening fields in the south. Markets remain very active on the bigger sizes due to the short supply.

Broccoli/Broccoli: Current supply is good, although we are anticipating lighter supplies in the upcoming weeks. Market is steady but looking for market to strengthen.

Brussels Sprouts: Some shippers are reporting very minor insect damage and longer stems but overall quality is good, with very good supplies

Carrots: JUMBOS-ESCALATED Supply on carrots are much improved and quality is "very good". Good supplies on all items although shippers continue with labor so supplies on Jumbo's continue to be a struggle.

Cauliflower: Current supply is good, although we are anticipating lighter supplies in the upcoming weeks. Market is steady but looking for market to strengthen.

Celery: Quality is very good, with good supply.

Cilantro: Supplies continue to improve with good quality, although upcoming heat could have an impact on quality.

Corn: Supply is limited this week as some of the local deals are wrapping up for the season. We expected tighter markets in the east until late September once we transition back to South Georgia. In the west, corn will remain firm and will certainly be impacted by the heat this week; desert corn is about 7 weeks out.

Fennel: Good supply continues with very good quality

Garlic: EXTREME New crop California has started although domestic supply is very tight, and shippers are holding to averages. We expect this volatile market to continue through the summer.

Ginger: EXTREME Ginger is very volatile due to very inconsistent supply and market is higher. Supply remains tight for the foreseeable future

Green Cabbage: Good supply and quality is good.

Green Onions: EXTREME: Supplies continue light this week due to extreme heat and humidity in the growing regions of Mexico the past four weeks. Production is light due to a 21-day period in July in which we saw temperatures above 110 degrees and humidity 90-95%. Young plant population was burned/ killed. Labor is also an issue with harvest crews. Demand is good and quality presents sizing as mostly small, some medium and no large. Market is currently demand exceeds supply. Look for Green Onions to continue to be short for approximately 3 more weeks.

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: Market continues to be very active as some shippers have below average supply due to quality issues in the fields.

Parsley (Curly, Italian): Quality is good with good supply, demand is good.

Rapini: Good supply continues with very good quality.

Red Cabbage: ESCALATED Although pricing continues to be escalated, supply is improving, and pricing is declining slowly. Quality is very good.

Snow Peas and Sugar Snaps: WATCH LIST Good production and quality on both peas from Guatemala and Peru. Expect supply to tighten up in the coming weeks due to low markets.

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

Spring Mix: Supply and quality are good.

Sweet Potatoes and Yams: There is plenty of availability across all sizes out of North Carolina with some good deals to be had on straight loads of #1's. There seem to be more potatoes available out of North Carolina compared to Mississippi who anticipate finishing the current crop just in time for new crop to be cured. We are also currently seeing a small gap with some specialty sweets like Red Garnets out of Livingston, CA. They expect to be back in with their new crop at the beginning of August.

Onions:

The market has significantly tightened up this past week with California and New Mexico all but finished. Normally at this time of year, there is at least a carry-over of New Mexico and California that helps to alleviate supply pressures while the Northwest ramps up. This season, with the Northwest supply being delayed by 7-10 days, it has created a supply gap, and product is very tight. We anticipate that supply will not feel much alleviation until the week of September 5th. Next week will remain tight as well as there will not be very many new onion suppliers starting their crop. Additionally, the bouts of heat these past two weeks have really prevented onion plants from sizing up further. The crop is starting to look very similar to last season, where tonnage was down, and supply was short. Additionally, the sizing challenges we faced last year with colossal and super colossal onions appear to be repeating themselves again. Washington seems to be a little bit ahead of Idaho at this point, although they certainly will still have shortages on product too. The August NOA report showed that acreage is down from where it was last year throughout all growing regions in the country. This crop has the highest input costs of all time, and at this point, it does appear as though the market will be strong throughout the year. Additionally, it has been reported that Holland is very shot on their own product. This is relevant as Holland supplies much of the world with onions. Trucks have remained relatively plentiful out of all regions and rates remain flat. We do anticipate a 'spike' as we get closer to the holidays.

Potatoes: EXTREME

The potato market continues to hold at historic pricing levels but does appear to be topped out for the moment. Supply has eased up some out of Idaho, Washington, and Nebraska. Unfortunately, these regions are all shipping a smaller size profile that is heavy to 90ct and smaller. We still do not anticipate pricing relief will come for several weeks. The supply pipeline is so far depleted below the current demand levels, that the only way we will experience pricing relief is when customers are able to start turning down orders. We do not anticipate this will happen until early to mid-September. Because of where the current pricing levels are, it is believed that they will come down fast and at an unprecedented level. By no means will it reach the low levels we have seen in years past, but it will certainly get back to 'more normal' levels. Storage crop is essentially done entirely at this point, and we will be looking at Norkotahs only until new crop Brbanks start in early October. This is typically the time of year where end users negotiate their new pricing contracts. This season, growers are looking for significant price increases on contracted supply for several reasons. Not only have potato growers been subject to the same inflationary overhead costs we are seeing in all industries, but potato acreage is significantly down in Idaho, and yields appear to be like last season. The processor demand has only heightened since last year, and the industry should expect a similar market to last season. Trucks have remained relatively plentiful out of all regions and rates remain flat. We do anticipate a 'spike' as we get closer to the holidays.

TOMATOES

East Coast

- **Round and Roma Tomatoes: ESCALATED** Volume will be extremely light on all east coast local programs due to weather related pressure on the crops almost this entire summer. We continue to see very high losses due to quality and expect markets to be short for the next 3-4 weeks.
- **Grape and Cherry Tomatoes:** Markets are firming up as growers struggle to keep a decent yield as weather related pressure is causing a tremendous amount of quality issues post-harvest. We expect light demand this week and are hoping we see a turn on supply over the next 10 days.

- **Organic Tomatoes:** **ESCALATED** Supply will remain limited this week on the entire category.

Mexico

- **Round Tomatoes:** **ESCALATED** Overall volume was down this week, particularly on large rounds and markets are reacting. A combination of light supply crossing this week combined with light volume out of California and the east has not only driven demand to Mexico, but has escalated prices to very high levels. Quality remains strong out of Baja and Mainland Mexico, but supply is going to be snug over the next 1-2 weeks.
- **Roma Tomatoes:** Volume and supply remain good crossing through Otay and McAllen. Markets are feeling upward pressure as demand shifts from a tight round market to a more favorable roma market.
- **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

- **ESCALATED** Volume will continue to be very light this week. Between the decrease acreage due to water issues and the cost of labor in California, it's been a struggle that will keep upward pressure on markets through the end of the California season. We will see excessive heat this week only further impact the active tomato markets in the west as it will cause harvest delays, affect quality and yield.

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: VA, WV, MD PA and SC all seeing steady and good quality on yellow flesh peaches.

Cherries: Rapidly winding down for the season.

Apricots: Done for the domestic season.

Red and Black Plums: Stable supply available out of the Central Valley.