

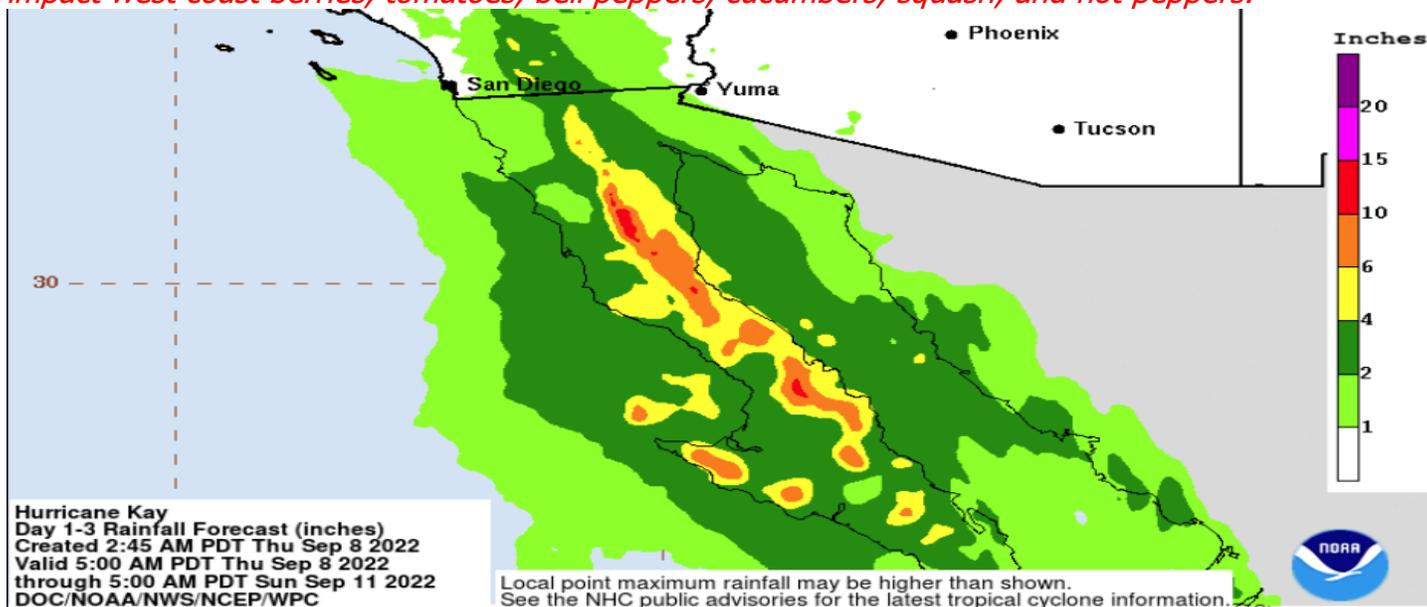
Weekly Market Review September 9, 2022

Overview

Colored bell peppers continue to be a challenge due to low production and insect pressure causing quality issues. Tomato volume remains light in the east; however, we are moving into newer areas over the next several days which will help take some of the pressure of older districts that have struggled in late summer. In the west we are dealing with heat and Hurricane Kay which will impact supply. Crossings through Texas from Central Mexico remain strong on romas and snacking tomatoes, while rounds are still below projection and in high demand 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. Pineapple volume is expected to improve next month. The high-pressure system moving through California this week set record high temperatures throughout the state and will be affecting "ALL" growing regions, especially the Salinas Valley and Santa Maria where most of the California Veg and Berries are currently being grown. Although temperatures are starting to cool slightly from the record highs, temps are still well above normal, and Growers are still assessing the extent of the damage incurred. The high temperatures will have a significant effect on quality and supplies for the remainder of the season.

Hurricane Kay

Hurricane Kay is impacting the entire Baja Peninsula with sustained winds of 100+ miles per hour and forecasted to bring heavy rain to the entire region. We are watching this storm closely as it will impact west coast berries, tomatoes, bell peppers, cucumbers, squash, and hot peppers.



Market Alert

- Asparagus – **ESCALATED**
- Bell Peppers (Red and Yellow) – **ESCALATED**
- Broccoli – **ESCALATED**
- Cabbage (Red) – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cucumbers (Slicer and English)- **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

- Butter Lettuce
- 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 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 9/8	Fri 9/9	Sat 9/10	Sun 9/11	Mon 9/12	Tue 9/13	Wed 9/14	Thu 9/15
85° 70°F	92° 70°F	80° 67°F	75° 66°F	74° 65°F	72° 63°F	71° 61°F	72° 60°F
Partly Cloudy 3 AM 0 in	Mostly Cloudy 0.39 in	Rain 0.26 in	Partly Cloudy 0 in	Partly Cloudy 0 in	Partly Cloudy 0 in	Partly Cloudy 0 in	Sunny 0 in

HENDERSONVILLE, N.C.

Thu 9/8	Fri 9/9	Sat 9/10	Sun 9/11	Mon 9/12	Tue 9/13	Wed 9/14	Thu 9/15
76° 63°F	74° 62°F	67° 64°F	74° 64°F	75° 60°F	77° 56°F	78° 55°F	79° 56°F
Partly Cloudy	AM Showers	Rain	Thundershowers	Scattered Thunderstorms	Partly Cloudy	Mostly Sunny	Mostly Sunny

JALISCO, MX:

Thu 9/8	Fri 9/9	Sat 9/10	Sun 9/11	Mon 9/12	Tue 9/13	Wed 9/14	Thu 9/15
81° 64°F	81° 65°F	81° 66°F	81° 66°F	78° 65°F	78° 65°F	81° 66°F	82° 66°F
PM Thunderstorms	PM Thunderstorms	PM Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms

FRESNO, CA:

Thu 9/8 108° 77°F  Mostly Sunny 12 AM 0 in	Fri 9/9 106° 79°F  Mostly Sunny 0 in	Sat 9/10 92° 74°F  Cloudy 0 in	Sun 9/11 94° 73°F  Partly Cloudy 0 in	Mon 9/12 96° 69°F  Sunny 0 in	Tue 9/13 93° 63°F  Sunny 0 in	Wed 9/14 88° 61°F  Sunny 0 in	Thu 9/15 89° 61°F  Sunny 0 in
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SALINAS, CA

Thu 9/8 89° 59°F  Sunny 2 AM 0 in	Fri 9/9 79° 61°F  Mostly Sunny 0 in	Sat 9/10 76° 66°F  Cloudy 0 in	Sun 9/11 80° 61°F  Partly Cloudy 0 in	Mon 9/12 73° 57°F  Partly Cloudy 0 in	Tue 9/13 69° 55°F  Mostly Sunny 0 in	Wed 9/14 67° 54°F  Partly Cloudy 0 in	Thu 9/15 68° 53°F  Partly Cloudy 0 in
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Good Buys

Commodity	Market Update	Expert Tip
Medley Grape Tomatoes	Strong numbers continue out of Central Mexico.	Medley grape tomatoes are fully of flavor, variety and color! They are especially delicious roasted. Drizzle pesto over the roasted tomatoes and garnish with fresh herbs. They are also delicious served with hummus, flatbread or crackers. Enjoy!

Fruits & Vegetables

Avocados: Peruvian arrivals are expected to be over 10 million pounds for the next four weeks before really tapering off, and big fruit (40 counts and larger) is expected to remain over-supplied in the market. Overall volumes from Mexico are projected to grow through October – to ease the transition from Peru back to Mexico. Continued stability into Mid-September with pricing expected to continue to narrow between larger sizes. The overall size curve continues to favor larger-sized fruit (48 counts and larger).

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 volumes are expected 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 volumes are increasing, and the crop looks good. Growers see an increase in bruised fruit due to warmer weather.

Blackberries: Supply is beginning to see a slight increase in several growing regions. 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. 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, market pricing in the high \$20s/low \$30s. Some shippers are reporting the Valencia season could finish early with the possibility of up to a 3-week gap between the end of the Valencia season and the beginning of the Navel season.

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 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 that moved through the west this week will impact and further worsen drought conditions. We will continue to watch this development closely and keep you updated should we see any issues that will further impact availability and quality

Iceberg Lettuce: **ESCALATED:** Supplies continue to be lighter due to lower yields from disease and viruses, along with the impacts from the excessive heat this week. We have very few updates from growers on issues due to the extreme heat and we are waiting on updates from the field as well for quality. The market has been very active, and the forecast is for the same ranges in prices, possibly higher.

Romaine, Romaine Hearts, Green Leaf, Red Leaf -ESCALATED, Butter Lettuce – WATCH LIST: Extremely warm temperatures in the recent days are impacting quality and supply. Quality is fair and overall yields are down due to heat, INSV virus and other disease pressure.

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 in the east and crossing through Texas. In the west we will see lighter supply continue with possible interruptions in supply pending the impacts of Hurricane Kay. Overall quality has been 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. We will need to watch closely as we could see possible interruptions out of Mexico pending the impacts of Hurricane Kay.

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. We will need to watch closely as we could see possible interruptions out of Mexico pending the impacts of Hurricane Kay.

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 jalapenos and very short on all other varieties. In McAllen, volume is steady on all varieties but tomatillo, habanero, and Anaheim. We are seeing quality issues and low production from Coahuila and Chihuahua. In the far west, we are seeing improving numbers out of the Central coast as well. Mexican crossing will most likely be interrupted due to the impacts of Hurricane Kay.

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 are still lighter than expected. We are certain to expect either delays or interruptions on Otay crossings due to Hurricane Kay. Overall quality is mixed and there is a large spread in price based on quality this week.

English Cucumbers: ESCALATED Higher demand and very light supply has spiked the markets and will remain firm for the next several weeks.

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

Green Beans: WATCH LIST Production has improved in the east, but we've seen some quality issues due to the weather. The transition has started into Georgia. Heat, humidity, heavy rains (continued through early next week), and flooded fields in Sonora MX will affect supplies and quality for the next two to three weeks.

French Beans: Production and quality remains good.

Zucchini/Yellow Squash: ESCALATED In California, extreme heat has impacted the fall crop and markets will remain firm. We are also watching Hurricane Kay and the impacts it will have on the early Mexican deal out of Hermosillo. It could cause delays, but we will need to assess as the storm moves North over the Baja Peninsula. In the east, we are starting to see relief as growers are breaking into new districts in North Carolina; South Georgia is about four weeks out from scratching their first fields.

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
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Melons

Cantaloupe: The cantaloupe market did start to react last week as we projected; larger daily harvests seen during August have started to scale back some and very good demand on larger sized fruit started to materialize late last week. The primary reason for this increased demand is the local regional melon deals have started to finish forcing east coast customers that had been relying on that fruit the past six weeks to come west. Excessive heat (110-115F) has hit the growing region and will linger through Friday. This is negatively impacting field crews who are having to limit their afternoon activity which is reducing daily production. Less overall fruit than anticipated will be hitting the market this week which should contribute to higher pricing. 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. With the high temperatures continuing, we expect reduced volumes for the balance of the week which will keep the market at record levels. Overall, the melons have been clean externally with consistent internal quality with solid brix levels and flavor. Flexibility of sizing may be required at the time of loading. Offshore season is projected to start in early November.

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 that moved through the west this week will impact and further worsen drought conditions. We will continue to watch this development closely and keep you updated should we see any issues that will further impact availability and quality.

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 is almost finished. Baja has started with new fields in a light way. Peruvian production continues to increase every week. This trend should continue through September. This week, there's a delay in container arrivals due to an accident in the Panama Canal. Markets remain extremely active on both coasts.

Broccoli/Broccoli: **ESCALATED** - Current supplies are lighter, market has strengthened.

Brussels Sprouts: Overall strong volume will persist for the coming week. Yields may be down slightly from some insect injury and penetration. No supply challenges are expected in the VA category.

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 supplies are lighter, quality is good, market is strengthening.

Celery: Quality is very good, with good supply.

Cilantro: Supplies continue to improve with good quality. The 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: As was noted in the Market Alert dated September 6, hot weather significantly impacts Green Onion fields and stunts the growth of the plants. This is typical of August and September as high heat in the growing areas dramatically reduces seed germination rate and subsequently hurts the field yield available to harvest. The heat also negatively impacts the size consistency of the onions as it becomes harder to get the smaller onions to size up with this plant stress. As we get into the month of September, the extreme heat throughout the state of California is also affecting northern Mexico and continues to affect the supplies of Green Onions that are already in very short supply. The heat in the growing areas is causing the green onions to stop growing (stunting growth) and shippers are struggling to get the supplies, and most importantly the “good quality” needed to fill orders. Cooler weather is forecasted to start setting in towards the end of this week, which will help, although we anticipate this situation to continue for approx. 3-4 weeks as the Onions get back to normal growing cycles. In addition, labor shortages also continue to be an issue with harvest crews.

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 are reporting significant damage from the excessive heat that moved through California this week. Expect 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. 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 short 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 Burbank's 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 remains on the light side this week due to weather related pressure on the crops almost this entire summer. We continue to see very high losses due to quality on the older blocks; however, we are starting to see some relief as growers are breaking newer blocks.
- **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 Mainland Mexico; we will need to assess Crossings from Baja after we see the impacts of Hurricane Kay.
- **Roma Tomatoes:** Volume and supply remain good crossing through McAllen. Markets are feeling upward pressure as demand shifts from a tight round market to a more favorable roma market. We will need to assess Crossings from Baja after we see the impacts of Hurricane Kay on supply crossing through Otay.
- **Grape Tomatoes and Cherry Tomatoes:** Strong volume and quality available out of Central Mexico. We will need to assess Crossings from Baja after we see the impacts of Hurricane Kay on supply crossing through Otay.
- **Medley Grape Tomatoes:** Strong numbers continue out of Central Mexico.
- **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.