

Weekly Market Review October 28, 2022

Overview

Colored bell peppers continue to be a challenge due to low production however we may start to see some relief as Baja and Coachella will scratch this week. In the west, Hurricane Kay has impacted all tomato and mixed vegetable supply crossing through Otay, while the California tomato season ends. Dry veg is also gradually winding down for the season out of the intercoastal valleys and Central Valley transitioning to Coachella over the next week. Locals deals in the East are done and have transitioned to South Georgia. Production out of Mainland Mexico on tomatoes is down this week and demand is high as consumers move west to source tomatoes since the growing regions of Central and South Florida were ravaged by Hurricane Ian. We expect extreme markets on tomatoes in all growing regions through the end of the year due to several recent extreme weather events. Currently, we are seeing an impact on supply of Southeastern tomatoes, dry veg, and citrus crops throughout the region. We expect extreme markets on tomatoes and eastern veg over the next 6-8 weeks at minimum. The remainder of the Salinas season will continue to be very challenging with quality, condition and especially supply as markets are high and all crops are affected. Weather conditions and diseases have impacted supply with pricing on many of the core items at historical high price levels. Expect continued low production, high markets and prorates. In addition, many shippers could see the start of the desert season with light supplies as many fields saw a loss of supplies due to the heavy rains in Northern Mexico, the desert of California and Yuma during the early planting times.

Market Alert

- Bell Peppers (Red, Yellow and Mini Sweets) – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cauliflower - **EXTREME**
- Cilantro – **ESCALATED**
- Cucumbers (Slicers) – **ESCALATED**
- French Beans - **EXTREME**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Green Beans - **EXTREME**
- Green Onions – **ESCALATED**
- Hot Pepper - **ESCALATED**
- Lettuce (Iceberg, Romaine/Romaine Hearts, Green Leaf & Boston) – **EXTREME**
- Potatoes (40s & 50s) – **EXTREME**
- Limes - **ESCALATED**
- Melons - Cantaloupe and Honeydew - **ESCALATED**
- Mushrooms – **ESCALATED**
- Strawberries – **EXTREME**
- Sugar Snap Peas – **ESCALATED**
- Tomatoes - **EXTREME**
- Oranges – **ESCALATED**

WATCH LIST

- Celery
- Corn
- Green Beans
- Seedless & Mini Seedless Watermelon

Transportation

Fuel has leveled off over the past 2 months after the quick increase through Q2 this year. It is difficult to forecast with many changing factors, but most experts expect to see fuel rates increase slowly through the next couple of months. The fuel market is very delicate at this time, and many factors can change that forecasting quickly.

Weather

OXNARD, CA:

Thu 10/27	Fri 10/28	Sat 10/29	Sun 10/30	Mon 10/31	Tue 11/1	Wed 11/2	Thu 11/3
71° 52°F	68° 50°F	70° 54°F	74° 55°F	73° 57°F	68° 54°F	62° 49°F	62° 49°F
							
Sunny	Mostly Sunny	Mostly Sunny	Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny	Partly Cloudy

MOULTRIE, GA

Thu 10/27	Fri 10/28	Sat 10/29	Sun 10/30	Mon 10/31	Tue 11/1	Wed 11/2	Thu 11/3
78° 58°F	78° 58°F	75° 63°F	80° 62°F	78° 53°F	78° 53°F	79° 54°F	78° 55°F
							
Sunny	Partly Cloudy	Mostly Cloudy	PM Showers	AM Showers	Mostly Sunny	Partly Cloudy	Mostly Sunny

JALISCO, MX:

Thu 10/27	Fri 10/28	Sat 10/29	Sun 10/30	Mon 10/31	Tue 11/1	Wed 11/2	Thu 11/3
78° 57°F	80° 55°F	80° 56°F	78° 55°F	77° 54°F	78° 54°F	80° 54°F	80° 53°F
							
Partly Cloudy	Mostly Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny

CULIACAN, SINALOA

Thu 10/27	Fri 10/28	Sat 10/29	Sun 10/30	Mon 10/31	Tue 11/1	Wed 11/2	Thu 11/3
91° 63°F	95° 61°F	94° 63°F	91° 62°F	90° 62°F	90° 61°F	90° 61°F	90° 61°F
							
Sunny	Sunny	Mostly Sunny	Sunny	Sunny	Sunny	Sunny	Sunny

SALINAS, CA

Thu 10/27	Fri 10/28	Sat 10/29	Sun 10/30	Mon 10/31	Tue 11/1	Wed 11/2	Thu 11/3
69° 45°F	64° 44°F	68° 47°F	66° 47°F	64° 51°F	62° 46°F	56° 43°F	57° 47°F
							
Sunny	Partly Cloudy	Partly Cloudy	Sunny	Mostly Cloudy	PM Showers	Showers	Partly Cloudy

COACHELLA, CA

Thu 10/27	Fri 10/28	Sat 10/29	Sun 10/30	Mon 10/31	Tue 11/1	Wed 11/2	Thu 11/3
82° 49°F	82° 52°F	88° 56°F	90° 58°F	90° 60°F	81° 54°F	73° 49°F	71° 49°F
							
Sunny	Mostly Sunny	Mostly Sunny	Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny	Mostly Sunny

QUINCY, FL

Thu 10/27	Fri 10/28	Sat 10/29	Sun 10/30	Mon 10/31	Tue 11/1	Wed 11/2	Thu 11/3
81° 58°F	81° 60°F	80° 62°F	80° 59°F	79° 52°F	80° 53°F	81° 53°F	80° 55°F
							
Partly Cloudy	Partly Cloudy	Mostly Cloudy	Thunderstorms	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny

Fruits & Vegetables

Avocados: Last week closed out at 49.9 Mil lbs. for the US a 7% increase from the previous week. Mexico accounted for 98% of the total volume. The Loca crop is winding down and has a couple more weeks until Mexico is fully in the Aventajada crop, with the Normal crop on its heels. Standing inventories are similar at 55 Mil lbs., after bottoming out at 52 late last week. Field pricing took a very small step up and is expected to remain stable next week. Mexico will account for over 95% of the market share into 2023 and with a larger crop than last year.

Bananas: Volume is lighter due to weather impacts, higher global demand, and lighter production. No quality issues at this time.

Pineapples: Supply improving and expected to be stable, and quality is good.

Table Grapes: Growers in the Central San Joaquin Valley are projecting they will be 100 million boxes short due to weather related pressures this season. We are seeing an upward tick on demand for larger fruit while medium sized fruit is steady. Autumn Kings, Scarlett Royals and globes all are showing overall good quality and color. First import estimates are in and forecasted to be down 7-10 percent this season.

Berries

Strawberries: **EXTREME** Strawberry volumes have seen a considerable decrease in yields due to warmer temperatures and rainfall over the past several weeks, which have taken a toll on strawberry blooms and quality. Supplies are expected to remain very limited over the next 4-8 weeks. This is due to the Watsonville/Salinas region at the tail end of its season; the Santa Maria growing region throwing down 50% of the fruit due to quality, and the Lygus virus combined with the Oxnard growing region past its peak. Furthermore, Mexico's supplies are light due to weather disruptions. Growers will continue to have harvest crews work products to pack the best packs available.

Blackberries: Supplies are increasing from Mexico and quality is good. Watsonville is decreasing and will be done in the next few weeks. Volumes are expected to hit peak production by early December.

Raspberries: Supplies are increasing from Mexico and should be in peak production by next week. Mexico will be in peak season for 7-10 days before down-trending for the remainder of the year. The current quality is good. Watsonville is decreasing and will be done by end of the month.

Blueberries: Central Mexico will continue to ramp up quick as its season starts. South American imports from Peru, Argentina, Uruguay, and Mexico are arriving on both coasts. The fruit quality is excellent, and the berry size is large.

California

Citrus

Oranges: **ESCALATED** Transition is here and although this week will be a challenge as product remains lighter across the board. Valencia's are finishing up in the central valley and will load down south for the remainder of the season, Navels will be available in the central valley. Size availability will be a challenge and sizing exceptions will need to be discussed on a case-by-case basis.

Lemons: New Crop Lemons have begun in District 3 and District 1. Current supply is peaking on 115/140/165 with an even balance of Fancy & Choice, and some Standard Grade. Field and Packinghouse QC is seeing some wind scaring in the Choice/Standard grade. Fancy looks nice! Volume & Availability is light due to fruit readiness and more fruit will be available each week

Limes: **ESCALATED** Crossings are improving, and coloring and overall shelf life has begun to improve upon introduction of the new crop. Conditional defects in the form of styler end breakdown and oil spots continue to impact the fruit due to recent inclement weather and will continue to be representative given last week's rain events. The crop is currently peaking on small fruit; mid-sized fruit yields are increasing; large sizes (esp. 110's) remain limited

Grapefruit: California Grapefruit is mostly finished for the season with Texas getting started over the next few weeks. Florida crop has started with good quality as the hurricane did not do as much damage as anticipated.

Imports/Specialties: Imported clementines and kiwi are available. California Mandarins will be starting by the end of Oct and shippers are reporting supplies to be up this year compared to last. Please ask your procurement specialist for promotional opportunities!!

West Coast Lettuce

Lettuce (Iceberg, Romaine, Romaine Hearts, Green Leaf, Red Leaf & Butter): **EXTREME**

The western vegetable industry continues to experience a series of challenges due to extreme weather and heavy disease pressure resulting in lower yields, short supply, and poor quality. In some extreme cases, Growers are experiencing complete losses, due to the INSV virus and weather-related issues on iceberg lettuce, romaine, romaine hearts and all leaf items. Volume is going to continue to decrease until the transition to Yuma in late November with prorates on numerous items, especially iceberg lettuce. This has significantly impacted markets in terms of price and quality, and shippers having to deviate from the normal quality we are accustomed to. Our contracts are continuing to perform better than the market, but we should expect higher pricing. In addition, many shippers could see the start of the desert season with light production as many fields saw a loss of supplies due to the heavy rains in Northern Mexico, the desert of Calif and Yuma during the early planting times. Expect lighter supplies to continue into early to mid-December

Eastern and Western Vegetables

Green Bell Pepper: Supply is lighter this week and overall quality has been good out of South Georgia. Northern California is mostly done for the season, and we are transitioning to the desert this week. Quality in the west is very nice.

Red Bell Pepper: **ESCALATED** Markets are holding strong as supply remains limited this week. We are scratching this week in the desert and quality is very nice.

Yellow Bell Pepper: **ESCALATED** Markets are holding strong as supply remains limited this week.

Mini Sweet Pepper: **ESCALATED** Supply is lighter this week and pricing is higher.

Mixed Chili Pepper: **ESCALATED** In the east, we are ramping production up out of South Georgia. In McAllen, volume is lighter on all varieties and seeing quality issues on the tomatillos. Anaheim, Serrano and Jalapeno are all holding at higher-than-normal pricing We are seeing quality issues and low production from Coahuila and Chihuahua and California is about done for the season. Markets will remain firm until we start seeing crossings in Nogales over the next several weeks.

Eggplant: Markets firmed up this week as supply has tightened. Quality is very nice out of South Georgia.

Slicer Cucumbers: **ESCALATED** Markets remain firm as volume is lighter out of Baja and South Georgia this week. Lighter supply crossing through Nogales and Texas as well, but we hope to see improvement over the next 10 days.

English Cucumbers: Supply improving, and demand will be high due to less availability of slicers. Quality is good.

Pickles: Lighter volume available this week and quality will be mixed out of Mexico and Florida.

Green Beans: **EXTREME** Extremely limited supply available out of South Georgia. There are a few beans out west, but markets remain very high and expected to be snug through the Thanksgiving Holiday.

French Beans: **EXTREME** Demand exceeds supply out of Mexico and Guatemala. Quality continues to be fair to good. Relief out of Mexico has now been pushed back to mid-Nov. Guatemala will continue to be light as past weather has hampered harvesting and quality.

Zucchini/Yellow Squash: Markets were mixed this week as supply tightened up in South Georgia and local deals wrapped up for the season. Steady numbers crossing through Nogales this week.

Herbs

Challenges on availability and supply will continue out of Mexico and the US due to past and present weather conditions. **CHIVES** supplies will continue to be light for the next 10-14 days. **CHERVIL**, **MARJORAM**, **SORREL**, and **TARRAGON** supply will continue to be day-to-day. This should remain the case till the end of the month. **ROSEMARY**, **SAGE**, and **THYME** are steady, but we are anticipating an increase in demand in a few weeks.

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	Limited	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

Cantaloupe and Honeydew: ESCALATED There is limited supply of cantaloupe in Arizona this fall which is shaping up to become even shorter as many growers are projected to finish earlier than anticipated. Current sizing in Arizona has been providing mostly all larger fruit with 9/9Js being predominant with 12s being extremely limited. Domestic honeydews remain very limited with most sizing being 5s and larger. Mexican crossings through Nogales are assisting in keeping the market stabilized and will continue to be the primary source for honeydews over the next few weeks. Our Growers are expecting to receive their first offshore containers the week of November 7th.

Watermelon: WATCH LIST Overall quality is very nice, strong demand and light volume are keeping markets firm this week. We are starting to see more limits on loading options as the season winds down; Nogales and McAllen are the primary shipping points. Mini watermelons seem to be easing back in price as store sets change and demand drops.

Mixed Vegetables

Artichokes: Expect lighter supplies over the next several weeks

Arugula: Supply is average, with fair quality due to some of the weather-related issues. Expect unstable supplies and quality for the remainder of the Salinas season

Asparagus: **ESCALATED** Mexican production continues to be low due to recent weather in the growing areas. Peruvian production has increased this week. This trend should continue through November. Markets are still very active with no change in volume from Mexico.

Broccoli/Broccoli: Current supply continue to be lighter; market remains active.

Brussels Sprouts: Expect another strong production week in the sprout category. Quality is generally good to excellent but there is occasional insect damage noted. Quality is generally good to excellent but there is occasional insect damage and residual problems from mildew. Now is a good time to begin forecasting for holiday VA needs.

Carrots: **JUMBOS–ESCALATED** Baby peeled, and food service items are in great supply. Current field sizing is small, so supply is limited on Cellos/Jumbos in California. Regionally Colorado, Michigan and MN are in good supply with Cellos and Jumbos.

Cauliflower: - **EXTREME** Cauliflower supply has gotten extremely short from the cooler weather, and the market has increased significantly. Expect light supply to continue at least through next week.

Celery: Future supply will be tight going forward with quality issues caused by the extreme hot weather. Market is slightly stronger, and we anticipate market to continue escalating as we approach the holidays.

Cilantro: **ESCALATED** Cilantro supply is going to continue to be light, but improving, as yields continue to be light due to the recent heat and adverse weather in all growing areas.

Corn: **WATCH LIST** In the east we are seeing stable supply out of South Georgia. In the west good supply available out of California.

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** Chinese supply will be very sporadic due to delays in unloading containers and inspecting at the ports. Pricing will be climbing daily.

Green Cabbage: Supply is increasing, and quality is improving.

Green Onions: **ESCALATED** Market is slightly lower, although supply continues to be very short.

Kale (Green): Supply is steady, quality is 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 shippers continue to see the effects of the heat. Expect below average supply due to quality issues in the fields.

Parsley (Curly, Italian): Supply is average, with fair quality due to some of the weather-related issues. Expect unstable supply and quality for the remainder of the Salinas season.

Rapini: We continue to see good quality although supplies are lighter. Market is slightly stronger.

Red Cabbage: Supply is increasing, and quality is improving.

Snow Peas and Sugar Snaps: **ESCALATED** We continue to see production and quality issues in snow peas from Guatemala. Sugar snaps continue to be short due to the rain, but production should improve in early November. Peruvian production is almost wrapped due to seasonality. California's new crop is very light. However, the quality is good. Mexico's crop is behind schedule due to multiple rain events. Supplies are expected to increase out of Mexico in three weeks.

Spinach (Bunched & Baby): Supply is average, with fair quality due to some of the weather-related issues. Expect unstable supply and quality for the remainder of the Salinas season.

Spring Mix: Supply is average, with fair quality due to some of the weather-related issues. Expect unstable supply and quality for the remainder of the Salinas season.

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 continues to have a 'softer' feel overall. Demand has been sluggish out of all regions – in large part due to change of season/weather, and some growing concerns regarding the economy. Growers are beginning to finish up harvest, which is earlier than normal. During years where supply is plentiful, growers will harvest until the end of October. The fact that they are finishing as early as they are in Idaho/Oregon, is pretty telling as to just how short the crop is. Some fields are yielding better than others, however, the overall sentiment in Idaho/Oregon is that this will be the fewest onions they have ever had in their region. Washington does seem to be in better shape than Idaho, and they are estimated to be about 80% of their normal supply. It only takes about 10% of a shortage or surplus to 'make or break' a market. The long-term optimism is present from growers. The crop is expected to be very similar to last season and has the possibility of being even shorter. Obviously the 'wild-card' in this market will be the demand. The elevated foodservice demand we experienced during COVID seems to have dissipated, and we are back to a more normal level of demand. What has not changed, however, is the input costs growers are experiencing on the current crop. There is concern that if the crop cannot yield similar returns, or better, to last years' crop, that growers will simply not be able to cover their costs. While it had felt like trucks were tightening up

the last several weeks, they now feel plentiful again. We do anticipate a Q4 push is coming at some point, which should force rates to increase some.

Potatoes: EXTREME (40s & 50s)

The potato market feels as though it is close to stabilizing. The elevated prices seem to know only exist on 40ct and 50ct potatoes, and even those sizes are beginning to experience relief not too. We are seeing the size profiles in Idaho flip to being more plentiful on middle and larger size cartons, with 90ct and smaller being extremely tight. A big reason for this change is that growers have significantly slowed down production. Instead of a normal 5 day per week schedule, we are seeing growers taking 1-2 days off these last several weeks. Returns have fallen below the cost of production, and what growers can sell to processors for. Instead of continuing to compound the situation and adding more supply to a market with sluggish demand, growers are happy to shut down production and focus on storing until the market improves. The state of Idaho is adamant that they have less supply than they did last year. Other growing regions are echoing the same sentiments as well. The overall concern regarding total tonnage in the potato crop remain alive and well, and growers are optimistic that pricing levels will reach similar levels to last season or will maintain a higher average return price all the way through with less of a spike toward the tail end. While it had felt like trucks were tightening up the last several weeks, they now feel plentiful again. We do anticipate a Q4 push is coming at some point, which should force rates to increase some.

TOMATOES

East Coast

- **Round and Roma Tomatoes: EXTREME** Supply will get very short this week and quality is fair at best as the local deals wind down and Quincy continues to harvest very light numbers. We are seeing some salvage harvesting in the Ruskin/Palmetto region which was hit hardest by Hurricane Ian, they will have very little supply and quality will be well below normal expectations. We are seeing Force Majeure declarations from the growers in these regions for their loss. We will likely see this type of market environment through the end of the year. We ask to keep flexible on varieties and size to help navigate through this trying time so we can do our best to keep the supply chain consistent.
- **Grape and Cherry Tomatoes: EXTREME** We are seeing demand exceeds supply conditions on all the snacking varieties due to the impacts of Hurricane Ian. Growers are declaring Force Majeure as we expect type of market environment through the end of the year. We ask to keep flexible on varieties and size to help navigate through this trying time so we can do our best to keep the supply chain consistent
- **Organic Tomatoes: EXTREME** Extremely limited supply available.

Mexico

- **Round and Roma Tomatoes: EXTREME** Mainland Mexico and Baja have been impacted by several weather events over the past two months that have either damaged crops or have delayed them. Between this and the conditions on the east coast, we expect to volatile markets through the end of the year as we transition to Sinaloa on the mainland around Mid to late December and from Central Baja to Southern Baja over the next 2-3 weeks. We ask to keep flexible on varieties and size to help navigate through this trying time so we can do our best to keep the supply chain consistent.
- **Grape Tomatoes and Cherry Tomatoes:** Baja should be our main supplier for the fall and unfortunately that crop was decimated by Hurricane Kay. We are doing everything we can keep supply moving but are seeing significant pro-rates and shorts. Growers are declaring Force

Majeure and expect volatile conditions through December. We ask to keep flexible on varieties and size to help navigate through this trying time so we can do our best to keep the supply chain consistent.

- **Medley Grape Tomatoes:** Strong numbers continue out of Central Mexico.
- **Tomato on the Vine:** Excellent quality and supply available.

California

- **(EXTREME)** Demand exceeds supply as the season ends.

APPLES, PEARS, STONE FRUIT

Apples: The 2022/23 Apple Crop out Washington was damaged by Severe High Temps last July and extremely low temps in mid-April 2022. Washington apple crop is projected to be around 108.7 million 40-pound boxes, roughly an 11% decrease from the 122.3 million boxes from last year's crop. Growers are still evaluating the impact of the prolonged cold weather that hit the Pacific Northwest. Markets are expected to settle slightly coming into Q4 as growers continue harvesting.

Pears: This year's pear crop will likely be down significantly due to Severe High Temps last July and extremely low temps in mid-April 2022. Growers are harvesting and will have numbers by December. Markets will likely remain higher this year.