

## Weekly Market Review November 11, 2022

### Overview

We are seeing a late season storm affect the state of Florida from Miami and north. It's too soon to assess any damages, but we are in communication with our growers/shippers and reviewing conditions. We are still seeing the color pepper supply remain tight as transitions to Baja and Coachella begin to ramp up. The entire tomato and mixed vegetable category crossing through Otay remain short due to weather impacts and virus. Steady production in South Georgia continues exception being cucumber and as stated, we will need to see what the impacts are from Tropical Storm Nicole. Production out of Mainland Mexico on tomatoes continues to be below normal due to

weather and virus pressure; 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 as well as dry veg, and citrus crops throughout the region. The Salinas season continues to be very challenging with quality, condition, and especially supply as markets are at historic record highs 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. Many shippers have transitioned to Yuma with the last transitioning the week of Nov 21<sup>st</sup> although we will continue to see low production and high markets as early supplies will be light after the heavy rains in Northern Mexico, the desert of Calif and Yuma during the early planting times.



### Market Alert

- Arugula – **ESCALATED**
- Bell Peppers (Red, Yellow and Mini Sweets) – **ESCALATED**
- Broccoli – **ESCALATED**
- Cabbage, Red - **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cauliflower – **EXTREME**
- Celery - **ESCALATED**
- 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**
- Melons - Cantaloupe and Honeydew - **ESCALATED**
- Mushrooms – **ESCALATED**
- Parsley – **ESCALATED**
- Potatoes (40s & 50s) – **ESCALATED**
- Spring Mix – **ESCALATED**
- Spinach - **ESCALATED**
- Strawberries – **EXTREME**
- Sugar Snap Peas – **ESCALATED**
- Tomatoes - **EXTREME**

## WATCH LIST

- Bell Peppers Green
- Celery
- Corn
- Eggplant
- Pickles
- Seedless & Mini Seedless Watermelon
- Soft Squash (Zucchini and Yellow Squash)

## Transportation

Although diesel rates are near record highs truckload rates continue to decline as consumer spending on durable goods declines reducing demand in the truckload market.

## Weather

### OXNARD, CA:

Thu 11/10	Fri 11/11	Sat 11/12	Sun 11/13	Mon 11/14	Tue 11/15	Wed 11/16	Thu 11/17
64°   47°F	66°   45°F	63°   44°F	61°   44°F	63°   45°F	65°   48°F	66°   46°F	64°   47°F
							
Sunny	Partly Cloudy	Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy

### MOULTRIE, GA

Thu 11/10	Fri 11/11	Sat 11/12	Sun 11/13	Mon 11/14	Tue 11/15	Wed 11/16	Thu 11/17
69°   65°F	73°   58°F	76°   43°F	60°   38°F	63°   48°F	64°   51°F	64°   47°F	65°   48°F
							
Heavy Rain/Wind	AM Rain	Partly Cloudy	Sunny	Mostly Sunny	Rain	AM Showers	Partly Cloudy

### JALISCO, MX:

Thu 11/10	Fri 11/11	Sat 11/12	Sun 11/13	Mon 11/14	Tue 11/15	Wed 11/16	Thu 11/17
80°   54°F	78°   53°F	78°   54°F	78°   53°F	79°   53°F	81°   54°F	82°   54°F	81°   54°F
							
Mostly Sunny	Mostly Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Mostly Sunny

### CULIACAN, SINALOA

Thu 11/10	Fri 11/11	Sat 11/12	Sun 11/13	Mon 11/14	Tue 11/15	Wed 11/16	Thu 11/17
89°   61°F	88°   59°F	89°   59°F	87°   60°F	88°   58°F	89°   57°F	88°   56°F	88°   55°F
							
Partly Cloudy	Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Sunny

### SALINAS, CA

Thu 11/10	Fri 11/11	Sat 11/12	Sun 11/13	Mon 11/14	Tue 11/15	Wed 11/16	Thu 11/17
63°   38°F	61°   42°F	60°   39°F	59°   38°F	61°   37°F	64°   39°F	64°   40°F	61°   41°F
							
Sunny	Partly Cloudy	Partly Cloudy	Sunny	Mostly Sunny	Sunny	Mostly Sunny	Partly Cloudy

## COACHELLA, CA

Thu 11/10	Fri 11/11	Sat 11/12	Sun 11/13	Mon 11/14	Tue 11/15	Wed 11/16	Thu 11/17
74°   45°F	73°   40°F	73°   42°F	72°   42°F	74°   43°F	74°   44°F	70°   42°F	71°   45°F
							
Sunny	Partly Cloudy	Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny

## IMMOKALEE, FL

Thu 11/10	Fri 11/11	Sat 11/12	Sun 11/13	Mon 11/14	Tue 11/15	Wed 11/16	Thu 11/17
79°   70°F	85°   68°F	86°   63°F	84°   63°F	84°   64°F	87°   65°F	88°   65°F	86°   64°F
							
Showers	Mostly Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy

## Fruits & Vegetables

**Avocados:** Harvest volume and pricing have remained relatively stable in Mexico over the past several weeks, with avocados from Mexico feeding over 98% of the US avocado supply. Mexico didn't harvest last Wednesday to celebrate the Día de Los Muertos holiday, but their weekly volume didn't miss a beat with stronger harvests late week to keep the weekly import volume steady. Mexico crossed just under 53.1 million pounds to the US. U.S. avocado market sales were just under 42 million, with current US inventories around 57 million pounds. With a light volume season, Chile is arriving at minimal volume in the US market. Peru has wrapped up the longer-than-expected season and is not expected into the U.S. market until around Spring 2023. The volume and pricing from Mexico for the US in the next few months will play a prominent role in the start of the upcoming California season. If pricing strengthens, California growers could start harvesting in the late Winter as they did last season. The Loca crop is winding down and a couple more weeks until Mexico is fully in the Aventajada crop, with Normal on its heels – there's plenty of volume to carry us into the spring.

**Bananas:** Volume is lighter due to weather impacts, higher global demand, and lighter production. No quality issues currently.

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

**Table Grapes:** Growers in the Central Valley are pulling from storage and starting to see a wide range of quality as daily harvesting will end this week. We are seeing an uptick on demand for larger fruit while medium sized fruit is steady. Autumn Kings, Scarlett Royals and globes are showing good quality and color. First import estimates are forecasted to be down 7-10% but should be on schedule for arrival.

## Berries

**Strawberries:** **EXTREME** Strawberry volumes continue to decrease considerably due to rainfall and quality issues. The California growing regions saw rainfall earlier in the week, which caused harvest delays Monday and Tuesday. Growers got back into the fields to clean up and harvest midweek. Unfortunately, there was not much fruit available for harvest. Supplies are expected to remain very limited over the next 3-7 weeks until Mexican supplies increase.

**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:** Mexico is in peak production for another 3-5 days and will continue down-trending through the remainder of the year. The current quality is good. Watsonville is decreasing and will be done by the end of the month.

**Blueberries:** Central Mexico continues to ramp up quickly as the 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**

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**Oranges:** All shippers have transitioned to Navels although there are still a handful of Valencia's still available. Quality is good and we are seeing a run of sizes available.

**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:** The market is expected to remain stable throughout November. We are expecting inconsistent supply this Holiday season. Current sizing is running heavier to the mid-range sizes. Conditional defects in the form of styler-end breakdown and oil spots continue to impact the fruit due to recent inclement weather. In addition, consistent rain events over the past few months are expected to impact the bloom in January in terms of yields and quality. We will likely see a substantial spike in pricing in Jan 2023, as we did this past Jan 2022.

**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**

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### **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. Some shippers have started in Yuma and the quality in the desert is looking better, but there are yield issues with seeders on Iceberg and romaine. We are seeing the same issues in the Salinas Valley with all the various diseases. Salinas will be wrapping up in two weeks and markets continue to be higher than they have ever been but may increase as we will see a very light shipping week industry wide as Salinas is winding down. Desert product is being harvested young.

## **Eastern and Western Vegetables**

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**Green Bell Pepper: WATCH LIST** Supply is lighter this week and overall quality has been good out of South Georgia but will need to assess after Tropical Storm Nicole passes through the region. We are starting new crop out of the desert and should see crossing through Nogales in 10 days; quality is strong in all growing regions at this time.

**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 and do expect to see pro-rates.

**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: WATCH LIST** Good supply continues out of South Georgia however barring any impacts from Nicole this might change. Nogales is ramping up as well as the desert. Quality is very nice in the west.

**Slicer Cucumbers: ESCALATED** Markets remain firm as volume is lighter out of Baja and South Georgia this week and will need to assess the southeast post-Nicole. Lighter supply crossing through Nogales and Texas as well, but we hope to see improvement over the next 10 to 14 days barring any further weather events.

**English Cucumbers:** Good supply and excellent quality. Demand remains strong due to less availability of slicers. Quality is good.

**Pickles: WATCH LIST** 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. Florida will be heavily impacted by Tropical Storm Nicole causing major shortages for the Holiday Pull.

**French Beans: EXTREME** Demand exceeds supply out of Mexico and Guatemala and quality is fair to good. Relief out of Mexico has now been pushed back to late November. Guatemala will continue to be light as the tropical storm has hampered harvesting and quality.

**Zucchini/Yellow Squash: WATCH LIST** Markets were mixed this week as supply tightened up crossing through Nogales and will firm up out of South Georgia pending impacts of Tropical Storm Nicole. Additionally, we expect impacts in the Florida product and will assess after Nicole passes through Florida as well and quality crossing through Nogales is good.

## Herbs

**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 demand continues to increase due to the holiday

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** Domestic melons from Arizona are done for the season and Florida has started to receive consistent melon supplies from Guatemala however hitting a slight delay this week due to Tropical Storm Nicole hitting the eastern coast of Florida. We are expecting steady arrivals next week before a slight drop the week of Thanksgiving due to our transition from

one ranch to another in Guatemala, but then picking up momentum the last week of the month. Due to very manageable supply, and strong demand, we are expecting the market to remain strong throughout the month. Quality on the cantaloupe has been outstanding with good external quality and even better internal characteristics with brix levels being seen in the 14-17% range. Guatemalan honeydews have started in a small way with mostly 5/5Js coming in and quality is also good there with strong brix levels.

**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**

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**Artichokes:** Expect lighter supplies over the next several weeks

**Arugula: ESCALATED** 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 slightly this week. This trend should continue through November. Markets are still very active with no change in volume from Mexico.

**Broccoli/Broccoli: ESCALATED** Supply has decreased as shippers continue struggle with quality due to weather related issues over the last month. Market will remain strong with fair quality until transitioned to the desert.

**Brussels Sprouts:** Sprout demand is expected to remain strong for the coming week in advance of Thanksgiving demand. Quality is still generally good but there continues to be signs of light insect damage and mildew. Rain this week should not adversely impact quality but could slow harvest. Pre-booking for holiday business is strongly recommended.

**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** Supply will be light this week and remain that way through the Salinas season with extremely high prices.

**Celery: ESCALATED** Market is stronger with significantly increased demand as the holidays fast approaching. Supply will be tight going forward with quality issues caused by the extreme hot weather. Market is stronger, and we anticipate market to continue strong through the holiday pull.

**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** Markets are firming up out of Coachella and South Georgia. We will need to assess damages to the South Georgia crops as well as Florida after Tropical Storm Nicole passes through the region. Quality is very nice

**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:** Steady supply with good quality. Market continues active out of California.

**Green Onions: ESCALATED** Market is strengthening again with lighter available supplies as we transition and head into the holiday.

**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. We should begin to see seasonal price increases as the holidays approach and supply gets tighter as retail pulls increase on an already strained supply

**Napa Cabbage:** Market continues to be very active as shippers continue to see the effects of the heat. Seeing some quality issues as we get to the end of the Salinas season with some bottom rot. Crews are doing their best to get ahead and stay ahead of this issue.

**Parsley (Curly, Italian): ESCALATED** Market is stronger, supply is average, with improving quality.

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

**Red Cabbage: ESCALATED** Quality remains good with declining supplies.

**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 late November. Peruvian production is 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): ESCALATED** Supply is average, with fair quality due to some of the weather-related issues, market is stronger. Expect unstable supply and quality until transitioned to Yuma

**Spring Mix: ESCALATED** Supply is average, with fair quality due to some of the weather-related issues, market is stronger. Expect unstable supply and quality until transitioned to Yuma.

**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:**

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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: ESCALATED**

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The potato market saw a considerable increase due to processors purchasing fresh potatoes. 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.

## **TOMATOES**

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### **East Coast**

- **Round and Roma Tomatoes: EXTREME** Supply is very short this week and quality is fair at best as Quincy continues to harvest however will most likely wrap up after Nicole passes through the region. We are seeing 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. We are also dealing with increased virus pressure on plantings that are older, which are more susceptible to disease, and we are seeing large yield losses in several key growing regions. Between these conditions and the strong market pressure from 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.

## 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.