

Weekly Market Review

December 30, 2022

Overview

We are assessing what impacts the freeze will have on crops in South Florida and report back as soon as possible. In the meantime, we are still seeing good volume on green pepper, zucchini, yellow squash and improving numbers on hot peppers. Colored pepper supply continues to remain tight despite ongoing crossings through Otay, but we should see more pepper crossing over the next 7 to 10 days. Tomato production continues to improve as growers in Florida and Mexico scratch new blocks. Good volume now available on rounds, romas and snacking tomatoes. Cucumbers out of Florida will be tighter this week. In Mexico, below normal temps continue to cause lower production but nothing too concerning as it's been more driving delays than shortages. We are still seeing some very high pricing on Serrano and Anaheim peppers due to cold weather impacting the growing regions in Mexico. Most growing areas of California and the desert of Arizona received rain this week which is causing some minor delays in the fields.

Market Alert

- Bell Peppers (Red & Yellow) – **ESCALATED**
- Broccoli – **ESCALATED**
- Cabbage (Red) – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cauliflower – **EXTREME**
- Celery - **ESCALATED**
- Cilantro - **ESCALATED**
- Corn – **ESCALATED**
- Fennel - **EXTREME**
- French Beans - **ESCALATED**
- Garlic – **ESCALATED**
- Ginger – **EXTREME**
- Green Onions – **ESCALATED**
- Hot Pepper - **ESCALATED**
- Serrano and Anaheim Pepper – **EXTREME**
- Lettuce (Iceberg) – **ESCALATED**
- Limes - **ESCALATED**
- Melons (Cantaloupe, Honeydew, & Watermelon) - **ESCALATED**
- Mushrooms – **ESCALATED**
- Potatoes (40s & 50s) – **ESCALATED**
- Sugar Snap Peas (West)– **ESCALATED**
- Tomatoes (Grapes, & Cherry) – **ESCALATED**

Watch List

- Slicer Cucumber
- Seedless & Mini Seedless Watermelon
- Table Grapes

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 12/29	Fri 12/30	Sat 12/31	Sun 1/1	Mon 1/2	Tue 1/3	Wed 1/4	Thu 1/5
60° 52°F	60° 54°F	61° 52°F	61° 45°F	58° 48°F	58° 51°F	61° 50°F	59° 48°F
PM Showers	Cloudy	Rain	Mostly Sunny	Partly Cloudy	Showers	Showers	Showers









JALISCO, MX:

Thu 12/29	Fri 12/30	Sat 12/31	Sun 1/1	Mon 1/2	Tue 1/3	Wed 1/4	Thu 1/5
75° 51°F	73° 48°F	76° 49°F	75° 47°F	71° 46°F	71° 45°F	74° 47°F	78° 49°F
Partly Cloudy	Mostly Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Sunny	Sunny









CULIACAN, SINALOA

Thu 12/29	Fri 12/30	Sat 12/31	Sun 1/1	Mon 1/2	Tue 1/3	Wed 1/4	Thu 1/5
82° 53°F	84° 50°F	86° 50°F	83° 53°F	80° 49°F	80° 47°F	84° 48°F	87° 48°F
Partly Cloudy	Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Sunny	Sunny

YUMA, AZ

Thu 12/29 67° 51°F  AM Clouds/PM	Fri 12/30 71° 52°F  Partly Cloudy	Sat 12/31 71° 58°F  Mostly Cloudy	Sun 1/1 66° 48°F  Mostly Sunny	Mon 1/2 67° 46°F  Mostly Sunny	Tue 1/3 68° 51°F  Partly Cloudy	Wed 1/4 70° 50°F  Partly Cloudy	Thu 1/5 69° 48°F  Partly Cloudy
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IMMOKALEE, FL

Thu 12/29 83° 65°F  Partly Cloudy	Fri 12/30 84° 66°F  Partly Cloudy	Sat 12/31 85° 67°F  Partly Cloudy	Sun 1/1 85° 65°F  Isolated Thunderstorms	Mon 1/2 86° 67°F  Mostly Sunny	Tue 1/3 87° 67°F  Mostly Sunny	Wed 1/4 87° 68°F  Partly Cloudy	Thu 1/5 83° 64°F  PM Showers
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Good Buy

Each week, our team spotlights commodities based on how favorable prices, quality, and supply are in the market. Stay ahead of the trends and look to these good buys for their stellar performance in the fields! Please see each individual product for more information below and reach out to your PA representative for more information on adding this to your order guide.

Commodity	Expert Tip
Pineapples	Add pineapple to your favorite kebabs. Try shrimp, chicken, or steak kebabs with red onions, pineapple, and cherry tomatoes. OR Make your own juice. Nothing tastes better than fresh fruit juice in the morning. When you make your own, you can be sure there are no added preservatives or sweeteners.

Fruits & Vegetables

Avocados: Last week closed out at 53.3 Mil lbs. for the US, a 3% decrease from the previous week. The size curve favors larger sizes – a higher percentage of 40s and larger are being harvested. Standing inventories are currently at 57.4 Mil lbs., almost no change from a week ago. USDA pricing is unchanged from last week. Stability is expected to continue as we ring-in-the-New-Year. The most notable adjustment is the shift in the size curve. A higher percentage of extra-large fruit is coming off the trees and is expected to last several weeks. Christmas ads are delivering now, and the product is being placed for New Year’s ads; volume has been ample. The ramp-up for Super Bowl will begin in early January, and the industry is expected to see inventories in the 70M pound range.

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

Pineapples: Excellent quality peaking on 7 and 8 cts.

Table Grapes: WATCHLIST 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, Autumn Royals and globes are showing good quality and color. We could see be less offshore volume through mid-January due to Political unrest in Peru which is causing port delays. This will have a short-term impact on markets in Peru which will cause a 3-week delay. Overall import volume will remain down, but quality should be normal. Demand expected to increase as volume decrease and we may see a slight hike in pricing through Mid-January.

Berries

Strawberries: We anticipate the volumes of strawberries will gradually increase in the coming weeks. Central Mexico volume continues to ramp up to its peak season. However, volume is expected to be lighter than normal due to many regions experiencing cooler temperatures. Florida volumes were increasing weekly, but cooler temperatures and rainfall slowed production. Cooler temps and overcast/cloudy skies may cause an increase in green shoulders. Santa Maria and Oxnard will start to scratch early to mid-January.

Blackberries: Supply will remain flat for the remainder of the year. We should see an uptrend at the start of January which should continue through February and Central Mexico will increase week over week.

Raspberries: Supply is expected to bottom out this week and next week and we should see an uptrend in the first week of the new year. We will continue to see that uptrend until we hit peak spring volumes. Oxnard will downtrend for the remainder of the season and reach its bottom beginning of February.

Blueberries: Central Mexico will continue with strong volumes into the spring. The volume will pick up again for the spring crop in February. We could see staggering production depending on when growers prune in January. The last container of Peruvian products has been moved to week 3 of 2023. Chile is currently in its mid-season peak and most of the volume will be received on the West Coast.

California Citrus

Oranges: All shippers have transitioned to navels which are showing very good quality and we could start to see a size structure shift after the holidays. Weather issues are creating harvesting challenges this week.

Lemons: Good supply and very good quality.

Limes: ESCALATED Quality and shelf life continue to deteriorate as the current production cycle winds down. Weather, including consistent rain events over the past few months, are also a major contributing factor. In response, pack-out yields on U.S. #1 grade fruit have declined. Costs in Mexico are expected to remain in an upward trajectory into Q1 2023, adding continued pressure to U.S. market pricing. New production harvests will occur the second or third week of January. Yields are expected to remain scarce in response to weather-related trends (cooler temperatures lead to slow crop growth). Pricing will be subject to change on a day-to-day and/or hourly basis pending availability, but we look for pricing to remain high at least through super bowl weekend, possibly longer.

Grapefruit: Good supply and very good quality out of Texas and California.

Imports/Specialties: The California mandarin season has started with good availability and outstanding quality. Bloods and Caras are available as well.

West Coast Lettuce

Iceberg: ESCALATED Supply continues to improve although many shippers are still behind in the fields. The frame size and weights have improved, and yields are slightly higher. The biggest quality issue will be frost damage as the past few weeks we had a deep freeze with ice and growers are doing their best to clean it up at the field level. The market is going to have a wide range depending on demand.

Romaine, Romaine Hearts: Supply is good with better weights on all packs and quality on cartons is good except for light blister/peel from the cold weather these last few weeks. Hearts are clean, with light cupping and supply and weight will improve this week.

Green Leaf & Red Leaf: Production in the desert region is steady. Smaller heads and lighter weights continue to be the trend, but we are seeing improvement. Overall quality is looking good with slight signs of wind/fringe burn. Cooler than normal temperatures continue to impact harvest times and markets have softened and demand is steady.

Butter: Production in the desert region continues to improve, overall quality is good, and markets are steady.

Eastern and Western Vegetables

Green Bell Pepper: Stable supply expected over the next week and overall quality has been good. Product available in South Florida, as well as crossing through Texas and Nogales and Coachella is done.

Red Bell Pepper: ESCALATED Markets are holding strong as supply slowly improves this week and quality is good. We are still harvesting in the desert and should start seeing more fruit available in Nogales over the next week.

Yellow Bell Pepper: ESCALATED Markets are holding strong as supply remains limited this week and do expect to see pro-rates.

Mini Sweet Pepper: Supply is improving, and quality is good as we see more volume and improved quality crossing through Otay and Nogales.

Mixed Chili Pepper: ESCALATED In the east, supply improving out of South Florida (Cubanelle, Long Hots, Hungarian Wax, Jalapeno and Shishito). In McAllen, volume is lighter on all varieties and seeing quality issues on the tomatillos. Habanero, jalapeno and poblano are all holding at higher-than-normal pricing while the shortest availability is on Serrano and Anaheim due to ongoing supply issues from Coahuila and Chihuahua. Markets will remain firm, but we are starting to see some improvement in crossings out of Nogales. Good supply on tomatillos in all growing regions.

Eggplant: Lighter supply available and quality is good in South Florida and crossing through Nogales.

Slicer Cucumbers: WATCHLIST Lighter supply out of Florida, mostly an impact of last week's freeze. In the west, we see good crossings through Texas and Nogales. Import quality is outstanding

English Cucumbers: Lighter supply and firmer markets hold this week as demand remains strong and excellent quality available.

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

Green Beans: Markets firmed up a tad mostly due to the freeze in Florida slowing down production. Light supplies expected for the next 7-10 days as growers assess damages but expected to improve. Good crossings continue from Mexico and quality is good.

French Beans: ESCALATED French supply is still light out of Mexico; quality is fair to good. Labor issues will continue to limit harvesting and packing out of Mexico. Out of the east, we have seen improvement in the quality and production of Guatemalan products.

Zucchini/Yellow Squash: Stable markets expected through Christmas on Zucchini and Yellow squash remain stable out of Nogales and Florida. Quality is improving.

Herbs

The colder temps for herbs have reduced the speed at which they are growing during the heavy demand from the holidays. **MINT** supply has been cut in half due to the slowdown in growth and high demand for bunches. The mint will be short for at least the next 3-5 weeks. Supply remains tight on **ROSEMARY** and **SAGE**, with some quality issues due to the colder weather.

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: ESCALATED Lower overall demand in Florida through the holiday period has pressured the market down to lower pricing which we anticipate will continue over the next 10-14 days. Demand in California has been very active with their market holding firm and possibly strengthening some. Sizing started to shift to 9s and larger fruit and away from the 9/12/15 mix we had been encountering the past several weeks. The Zacapa growing region in Guatemala has finished pushing all growers to alternate growing areas in Guatemala and Honduras. Quality has been very good for the time of year with solid external quality while internal characteristics have been showing brix levels in the 11-14% range.

Honeydew: ESCALATED Honeydew has quickly moved into a demand exceeds supply on the smaller sizing. Mexican crossings through Nogales have dried up causing companies in the Midwest part of the country back to Eastern supply. Guatemalan sizing has been almost exclusively 5s and larger creating significant demand for smaller fruit. Due to the shorter volume, we need flexibility on sizing.

Watermelon: ESCALATED Overall quality is very nice, still seeing firm pricing and moderate demand. Nogales and McAllen are the primary shipping points. Mini watermelons seem to be easing back in price as store sets change and demand drops. We should see some offshore Watermelon early January. We will also see some offshore watermelon available early next week.

Mixed Vegetables

Artichokes: Expect lighter supplies to continue over the next several weeks.

Arugula: Supply continues to improve; quality is very good.

Asparagus: ESCALATED Mexican production continues to slow down due to cooler temperatures in Baja and San Luis. Peruvian production has started to slow down due to seasonality. Political turmoil in Peru has caused labor strikes and logistical delays and markets should start reacting at the beginning of next week.

Broccoli/Broccoli: ESCALATED Lighter supplies will continue going into next week, overall quality is good. Expect pricing to continue very active.

Brussels Sprouts: Good available supplies, market is steady.

Carrots: (JUMBOS) ESCALATED Rain this week in California is affecting available supplies as shippers are not able to get all product needed out of the fields. Once rain is over, production will return to normal and jumbo carrots will remain in short supply out of California.

Cauliflower: EXTREME Cauliflower supply is still limited as cooler weather has continued to slow growth. Overall quality is good, market remains very active.

Celery: ESCALATED Supply will remain in short supply through the month of January with possible prorates due to lighter supplies from the cooler weather and adverse growing conditions. The issues we have seen in from diseases and insects that have affected yield are pretty much behind us but low to moderate supply is expected over the coming few weeks with a very strong and firm market.

Cilantro: ESCALATED Cilantro supply is improving but continues to be below normal going into next week. Overall quality is good, market remains very active.

Corn: ESCALATED Markets continue to firm up out of Nogales and South Florida and quality is very nice, however it's still too soon to truly assess any freeze impacts in Florida.

Fennel: ESCALATED Available supply remains light, especially on large size and the market remains active.

Garlic: EXTREME Quality is good with moderate supplies.

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 improving, and quality is very good.

Green Onions: ESCALATED Supply continues to slowly improve although market remains very active. Quality continues to improve.

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 will continue to see upward pressure on prices as the Holiday pull is now in full swing and expected to remain that way through New Year's.

Napa Cabbage: Market continues to be very active; quality continues to improve.

Parsley (Curly, Italian): Supply continues to improve, quality is very good.

Rapini: We continue to see steady supplies, quality is good.

Red Cabbage: ESCALATED Supplies are improving but market remains very active, pricing is steady. Quality is good.

Snow Peas and Sugar Snaps: ESCALATED (West Coast) Production on snow peas and sugar snaps continues to improve from Guatemala. Better supply out of Mexico and California supply continues to improve.

Spinach (Bunched & Baby): Supply continues to improve; quality is very good.

Spring Mix: Supply is improving, quality is very good.

Sweet Potatoes and Yams: New crop is in full swing out of both North Carolina and Mississippi and quality is looking very nice. Supply is very good.

Onions:

Onion demand continues to remain flat. The market does not appear to be moving anywhere fast any time soon during Q1. If there is going to be a spike in the market, we are going to need to see demand patterns change, which is certainly possible during Q1. We will likely start to see Mexican onions crossing in January, and then Yellows about a month after in mid to late February. Idaho/Oregon maintain that their current pace of shipping, they will be done by the middle of March. This is like last season's crop end date. The underlying factors remain in place for a very strong finish – but it will all depend on demand levels. The low yields, and short storage supplies on hand (supported by the NOA report) are good indicators of this. Washington remains in better shape than Idaho from a supply standpoint. Size profiles have been on the smaller end in both regions, with most product sizing in the medium and jumbo range. We have seen some improved availability on colossal and super colossal sized onions in recent weeks, but this may get tougher in Q1 as the later storage varieties generally do not size as big. Growers are expressing further concern regarding continually rising overhead costs as it relates to next season's crop (fuel, seed, packaging, etc). Their suppliers are all asking for hefty increases for next season above the already inflated overhead in this year's crop. It is not impossible that we see further consolidation among growers and shippers, or just less onion acreage being grown altogether out of the Northwest.

Potatoes: ESCALATED

Potato demand on cartons has significantly flattened during this past quarter. Q1 generally brings an increase to the market as begin to near the tail end of Norkotah supplies in March. Growers continue to receive record offers from processors (even higher than last season), and reports of further record breaking offers for the Spring continue to roll in. Because of this, the fresh market has a 'safety net' of where pricing will likely not fall beneath. We anticipate we will continue to see this trend to get growers to release product on the fresh side. Other growing regions are echoing the same sentiments as well. We will see Nebraska finish up, and less supply out of Colorado and Wisconsin toward the end of Q1. These should give the overall market a boost as well. National supply reports are showing that there are less potatoes this year than last year – and this is not considering the 6M lbs. plus that have already been sold to processors.

TOMATOES

East Coast

- **Round Tomatoes:** Supply continues to improve, and markets are slowly declining. We expect to see this trend continue through the rest of December as growers break new fields and see more consistent quality and volume.
- **Roma Tomatoes:** Availability continues to improve, and we are seeing downward pressure on the FOB pricing which will continue over the next couple of weeks. Quality expected to be good through December.
- **Grape and Cherry Tomatoes: ESCALATED** We are seeing improved production out of areas least impacted by Ian and markets are retreating. We expect to see markets continue to improve through the remainder of the year.

Mexico

- **Round Tomatoes:** Improving volume and additional roma volume coming available continues to put downward pressure on the round market. Quality is very nice on the new crop loads crossing through Texas and Nogales.
- **Roma Tomatoes:** Stable volume crossing through Nogales and Texas. Quality is outstanding on the new crop.
- **Grape Tomatoes and Cherry Tomatoes: ESCALATED** We are starting to turn the corner and see more volume crossing at all border locations as growers scratch new blocks of snacking tomatoes. Pricing is still high but there is certainly downward pressure on the markets. Quality is improving daily.
- **Medley Grape Tomatoes:** Strong numbers and excellent quality continue out of Mexico and Canada.
- **Tomato on the Vine:** Excellent quality and supply available.

APPLES, PEARS, STONE FRUIT

Apples: Washington State Apple Crop looks to be around 100M boxes vs. 122M the last two years and 132M 3 years ago. With the number of Trees in the ground – this number is shocking. The last crop we saw 100M boxes was in 2007. Mid-April 2022 – Eastern Washington experienced 20-degree temperatures with apple trees in bloom which caused a significant loss in the crop. Additionally, cooler temperatures in the Spring with **EXTREME** Summer Temps also played a negative role in the supply of apples combined with two devastating hailstorms causing some blocks of Orchards not to be harvested. Furthermore, Fujis and granny smiths are known for alternate-bearing crops. Last year were heavy crops, so this year both are down significantly.

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. Cooler temperatures in the Spring with **EXTREME** Summer Temps also played a negative role in the supply of pears combined with two devastating hailstorms causing some blocks of Orchards not to be harvested.