

Weekly Market Review

March 17, 2023

Overview

In South Florida and Mexico, we continue to see steady supply on slicer cucumber, green squash, and tomatoes; volume on peppers is down in both growing regions and quality will be hit and miss. Corn market is slowly easing back into steady production as shippers break new fields. The hot pepper market seems to be slowly improving with Serrano and Anaheim being the highest priced and shortest available. Honeydew and cantaloupe have become quite a challenge due to cooler weather and will most likely not improve until mid-late March. California is receiving another round of significant rainfall that is impacting Central California, which includes the Salinas Valley, Pajaro Valley (Watsonville), Santa Maria and the San Joaquin Valley (Fresno and Bakersfield). The Salinas River exceeded flood stage, and a levee broke on the Pajaro River, both causing Moderate to Major flooding in fields that had already been planted in both the Salinas Valley and the Pajaro Valley. This could significantly affect the Spring crops that had already been planted, and will also affect fields that were ready to be planted that growers will not be able to get into until they dry out. In addition, the new LGMA regulations state that growers cannot plant in fields flooded by the River for a minimum of 30 days, but this can take up to 90 days pending results of the required testing. Another "Atmospheric River" moved through the area earlier this week which brought additional rain with more rain forecasted for Sunday. At this time, grower/shippers are reporting that this "will" affect the spring crops, but they will not be able to report the total impact until they can get back into the fields after the rain stops and assess the full impact of the rain and flooding. **Please Note:** This rain is "NOT" affecting current supplies coming from the Desert growing regions of CA and Yuma, AZ. The impact will be felt when we transition from the Desert, back up to Salinas and Santa Maria, starting next month and into the first of May, and most likely extending into the month of June.

Market Alert

- Asparagus – **ESCALATED**
- Bok Choy – **ESCALATED**
- **Broccoli - ESCALATED**
- Cabbage (Red & Green) – **ESCALATED**
- Carrots – **ESCALATED**
- Cauliflower – **ESCALATED**
- Celery – **ESCALATED**
- Cilantro - **ESCALATED**
- Garlic – **ESCALATED**
- Ginger – **EXTREME**
- **Green Bell Pepper - ESCALATED**
- **Green Onions - ESCALATED**
- Hot Pepper - **ESCALATED**
- Limes - **ESCALATED**
- Melons (Cantaloupe, Honeydew, & Watermelon) - **ESCALATED**
- Mushrooms – **ESCALATED**
- Parsley (Curley & Italian) - **ESCALATED**
- Potatoes (40s & 50s) – **ESCALATED**
- Strawberries – **ESCALATED**

Watch List

- Seedless & Mini Seedless Watermelon

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:

| Wed 3/15 | Thu 3/16 | Fri 3/17 | Sat 3/18 | Sun 3/19 | Mon 3/20 | Tue 3/21 | Wed 3/22 | Thu 3/23 |
|---|---|---|---|---|--|---|---|---|
| 57° 47°F | 59° 48°F | 59° 48°F | 63° 52°F | 60° 51°F | 59° 51°F | 56° 47°F | 56° 44°F | 58° 46°F |
|  |  |  |  |  |  |  |  |  |
| Partly Cloudy/Wind | Partly Cloudy | Mostly Cloudy | Mostly Cloudy | Cloudy | PM Showers | Showers | Partly Cloudy/Wind | Sunny |

JALISCO, MX:

| Wed 3/15 | Thu 3/16 | Fri 3/17 | Sat 3/18 | Sun 3/19 | Mon 3/20 | Tue 3/21 | Wed 3/22 | Thu 3/23 |
|---|---|---|---|---|--|---|---|---|
| 84° 51°F | 81° 50°F | 82° 50°F | 78° 49°F | 77° 49°F | 79° 50°F | 82° 51°F | 83° 52°F | 84° 52°F |
|  |  |  |  |  |  |  |  |  |
| Mostly Sunny | Sunny | Sunny | Sunny | Sunny | Sunny | Sunny | Sunny | Partly Cloudy |

CULIACÁN, SINALOA

| | | | | | | | | |
|---|--|---|--|--|--|--|---|--|
| Wed 3/15 90° 55°F  Mostly Sunny | Thu 3/16 93° 55°F  Sunny | Fri 3/17 91° 61°F  Mostly Sunny | Sat 3/18 85° 56°F  Partly Cloudy | Sun 3/19 88° 55°F  Sunny | Mon 3/20 91° 55°F  Mostly Sunny | Tue 3/21 93° 55°F  Sunny | Wed 3/22 93° 55°F  Mostly Sunny | Thu 3/23 94° 54°F  Sunny |
|---|--|---|--|--|--|--|---|--|

YUMA, AZ

| | | | | | | | | |
|--|---|---|--|--|---|--|---|--|
| Wed 3/15 77° 54°F  Isolated Thunderstorms | Thu 3/16 76° 53°F  Mostly Sunny | Fri 3/17 77° 57°F  Mostly Sunny | Sat 3/18 79° 57°F  Partly Cloudy | Sun 3/19 80° 56°F  Partly Cloudy | Mon 3/20 79° 58°F  Partly Cloudy | Tue 3/21 78° 56°F  Mostly Cloudy | Wed 3/22 72° 50°F  Mostly Sunny | Thu 3/23 72° 49°F  Sunny |
|--|---|---|--|--|---|--|---|--|

IMMOKALEE, FL

| | | | | | | | | |
|---|--|--|--|--|--|---|--|---|
| Wed 3/15 -- 55°F  Clear | Thu 3/16 85° 57°F  Sunny | Fri 3/17 88° 65°F  Partly Cloudy | Sat 3/18 90° 67°F  PM Thunderstorms | Sun 3/19 77° 63°F  Thunderstorms | Mon 3/20 80° 64°F  PM Showers | Tue 3/21 84° 64°F  Scattered Thunderstorms | Wed 3/22 87° 65°F  Partly Cloudy | Thu 3/23 89° 66°F  Mostly Sunny |
|---|--|--|--|--|--|---|--|---|

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 |
|------------------------|---|
| Slicer Cucumber | Romaine and cucumbers are both great buys this week! Cucumbers are a great addition to any salad with a romaine base. Add grape tomatoes and feta and top with a vinaigrette to make a delicious Greek salad to pair with any meal. |
| Romaine | |

Fruits & Vegetables

Avocados: Demand in the fields remains strong, and elevated field pricing is holding. Demand is strongest on smaller sizes on the US side of the border, and pricing is increasing to the point where the 48s and 60s might become inverted. Rain is expected on & off into next week in California, and while harvest has been low, the strong demand for smaller sizes will likely have an impact on some growers' decisions to harvest or hold back. The market is adjusting to match the demand per size. Overall demand is expected to stay strong for fruit over the next few weeks as we approach Holy Week, Easter, and Cinco de Mayo. Next Monday is a holiday in Mexico & there is no harvest scheduled.

Bananas: WATCHLIST Volume remains lighter than normal this month mainly due to seasonal dips in yield combined with higher global demand. No quality issues, but we are seeing smaller fruit, discolor and very light inventory entering the ports. Make certain you are staying ahead of inventory during this next several weeks.

Pineapples: Excellent quality and supply available.

Table Grapes: Excellent supply and quality available.

Berries

Strawberries: California continues to receive significant amounts of rainfall impacting quality, harvesting, and future crops. Supplies are expected to remain minimal over the next several weeks. Additionally, please keep in mind that on top of harvesting delays, there is also potential for transportation delays, as roads and highways are experiencing flooding as well. We will keep you updated on any new developments. Florida volumes remain higher due to favorable weather conditions. Mexico's volumes remain somewhat firm. The sizing has decreased due to warmer temperatures.

Blackberries: Supplies are expected to remain at the current levels through the rest of the month. Supplies should begin to increase in early March. California's growing regions will see minimal volumes for the next two months.

Raspberries: Mexico volumes will continue to increase steadily until early May. We should see larger increases in March. Overall fruit quality and size is very good. Mexico will continue to be the main supplier for the next few months.

Blueberries: Central Mexico will continue with strong production as they are in peak season. Peru volumes will continue for another few weeks. Baja volumes will continue to increase as their season uptrends. Chile is finished for the season.

California Citrus

Oranges Navels are showing very good quality, with size structure peak 88/113/72. Larger sizes are becoming more available. Good buys remain on 138s/163s.

Lemons: Good supply and very good quality.

Limes: ESCALATED - Costs are still elevated in Mexico, however, low demand trends in the U.S. have slowed down and even reverted price escalations over the past few weeks. The new production cycle has fully transitioned in most operations. Crossings have declined this week vs. last, including predominately small sizes; large fruit will be scarce moving forward. The second half of March into mid-April is anticipated to represent low overall availability, which may add pressure to pricing stability. **Expect a [potentially] significant price gap between small and large fruit.** Quality defects in the form of skin breakdown/oil spots are becoming more prominent due to lack of rain.

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, and Minneolas have started in southern California.

West Coast Lettuce

Iceberg: : Supplies have increased with the higher temperatures. Quality is very good. The market has slowly started to step down for now due to increased supplies and we will continue to see good supplies going into next week.

Romaine/Romaine Hearts: Market continues steady and quality is good, although we continue to see light blister and peel from the cold weather a few weeks ago. Supplies and weight will continue to be good through next week.

Green Leaf & Red Leaf: Production in the desert region is steady and overall quality is looking good. There are slight signs of wind and fringe burn as well as insect and dirt presence. Warmer temperatures will bring the crop on quicker. This will bring on heavier than normal supply short term, creating a potential shortage of supply long term. The transition to Salinas will be delayed due to **EXTREME** weather conditions. Current markets are steady and demand is good.

Butter: Good supplies with overall good quality and market is steady.

Eastern and Western Vegetables

Green Bell Pepper: ESCALATED Supply out of Florida remains tight this week with a lot of choice pepper available. Nogales and McAllen continue to have the stronghold on volume despite crossings being at all-time lows. Demand is good, particularly from the east as Florida production dips. Quality is hit and miss; we are seeing inconsistent sizing, growth cracks, soft walls and stem decay. We hope to see some improvement over the next 10-14 days as growers break newer blocks.

Red Bell Pepper: Supply expected to slowly improve by the end of the month out of McAllen and Nogales and quality is good.

Yellow Bell Pepper: Supply expected to slowly improve by the end of the month out of McAllen and Nogales and quality is good.

Mini Sweet Pepper: Hit and miss supply, and quality available loading in Nogales.

Mixed Chili Pepper: ESCALATED In the east, chilies are still tighter than normal; however, expect to see some improvement over the next two weeks on Cubanelle, Long Hots, Poblano, Hungarian Wax, Jalapeno and Shishito. In McAllen, volume is gradually improving on all varieties but Yellow Caribe. Pricing remains firm but there is downward pressure on most varieties. Tomatillos are stable.

Eggplant: Good quality and supply in South Florida and crossing through Nogales.

Slicer Cucumbers: Stable supply out of Florida while supply out of Honduras is fair. In the west, good supply and excellent quality available crossing through Texas and Nogales.

English Cucumbers: Good supply available with excellent quality.

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

Green Beans: Excellent supply available loading in Florida and Nogales.

French Beans: Production is back to normal and overall quality continues to improve.

Zucchini/Yellow Squash: Excellent supply and quality available in Nogales and Florida with deals being made on Italian. Yellow remains snug in Mexico as well as Florida due to cooler weather and scaring.

Herbs

Domestic herb supplies remain lower due to rainfall and cooler temperatures, especially chervil, thyme and tarragon. Additionally, winter storms have affected air freight. Weather continues to impact herbs from Colombia. Labor issues continue to improve in Mexico.

| 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

Supply slowly improving at all ports and should remain snug through Mid-March until we get caught up. Poor weather patterns in late December-early January negatively affected yields impacting current arrivals. Demand still outpaces supply with no slowdown expected in the short-term.

Cantaloupe: ESCALATED There was a slight push of Honduran volume this week but this extra production is expected to cycle through this week allowing the market to restabilize itself next week. The primary size impacted by this additional fruit has been the 12ct. In Guatemala, production continues to peak on 9s and larger. We expect this sizing trend to continue for us over the next couple

of weeks before we see a significant dip in arrivals the week prior to Easter as we transition ranches once again. Quality has been outstanding on the cantaloupe with good sizing, color and brix content. Levels of 13-15% have consistently been seen on the lopes.

Honeydew: ESCALATED Supply expected to slowly improve over the next 10-14 days. Our shippers are restricting volume to cover contract only to get us through this period there is not enough supply to cover everyone but once we see the pipeline fill this will subside. Sizing will peak on 5/6's and advanced ordering is necessary and flexibility on sizes. Internal Brix Levels are 12-14%

Watermelon: Overall quality is very nice, still seeing firm pricing and moderate demand. Nogales and McAllen are the primary shipping points. We are still seeing offshore watermelons available at the ports, stable supply on minis, carton seedless and bins.

Mixed Vegetables

Artichokes: We are seeing a slight increase in supplies, market remains very active, and most artichokes are frosted due to cold weather.

Arugula: Very quality, supplies are slightly lighter due to cold weather.

Asparagus: ESCALATED Weather continues to warm up in Caborca and San Luis, Mexico, and production is excellent. Peru continues with air shipments this week. We will see our first sea shipment in two weeks. Markets are less active with the increased production from Mexico.

Bok Choy: ESCALATED Market is extremely active with very light supplies.

Broccoli/Broccoli Crowns: ESCALATED Quality is very good out of the desert growing regions. Although supplies have decreased, market is much stronger.

Brussels Sprouts: Volume remains strong from both Northern and MX production locations. Quality is excellent and both VA and bulk categories.

Carrots: (JUMBOS) ESCALATED. Overall supplies are improving, although shippers continue to struggle with supply on Jumbos as sizing remains small in California.

Cauliflower: ESCALATED - Supplies are expected to continue be light for at least another week.

Celery: ESCALATED – Available supplies have decreased on Celery due to lighter yields from disease pressure, market continues to be very active. Oxnard growing area is expecting to receive a considerable amount of rain over the next week which will also contribute to lighter supplies

Cilantro: ESCALATED - Quality is very good, supplies remain light

Corn: Supply out of Florida is improving as growers begin to break new fields that were not affected by freeze. We should see improving conditions over the next week and expect stable supply barring no further weather events. In Nogales, we are seeing markets ease back as demand shifts and all of the pressure is not put on Mexico. Stable supply expected through April.

Fennel: Quality is very good, but supplies continue to be light due to the cold weather the last few weeks. Look for supplies to continue to be on the light side, but we should start to see volume increasing towards the end of the month in the desert.

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: ESCALATED – Quality remains good although we continue to see light supplies, market is very active

Green Onions: ESCALATED With the warmer temperatures this week, we are starting to see better supplies which should move the crop forward.

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: Quality continues to improve although supplies are lighter.

Parsley (Curly, Italian): ESCALATED Quality is very good although supplies continue to be very light due to cooler weather. Market is very active.

Rapini: We continue to see light supplies from the cooler weather, 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: Production of snow peas continues to be very good out of Mexico and Guatemala. Sugar Snap production has slowed down due to market conditions and quality.

Spinach (Bunched & Baby): Quality and supplies are very good.

Spring Mix: Quality and supplies are 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 at the moment. Northwest supplies are beginning to dwindle in Idaho/Oregon. Washington will be able to ship longer than Idaho/Oregon based on their remaining supply. We are beginning to see Colossal and Super Colossal onions get very tight. This is pretty typical for this time of year as the longer term storage varieties generally do not size as big as the earlier varieties. The Northwest continues to battle internal onion quality, which is not abnormal for this type of year. We are seeing the occasional rotted brown ring, and some random translucent scales. Mexican onions continue to cross as they are in to the bulk of their product. Texas product will begin to ramp up in the coming weeks to finish off the month of March. April will be a mixed bag of remaining supplies in the Northwest, coupled with both Mexican grown onions and Texas onions shipping out of McAllen, and then finally – Imperial Valley, CA toward the end of the month. The biggest headwind expected for Q2 is how the cool temps and rain will affect the California and New Mexico onions. There is expected to be some size challenges, and potentially some gaps in supply in July/August as the later fields were delayed in planting due to fields being too wet. New Mexico does appear to be in better shape from this regard.

Potatoes: ESCALATED

Potato demand on cartons has returned to normal levels during Q1. While we have not seen carton pricing take any sharp increase, we are seeing product significantly tighten up. We are beginning to approach the point where growers start to wind down on their Norkotah supplies. Once we get to the middle/end of April, we should see growers shipping Burbanks just about exclusively. 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 as a means to get growers to release product on the fresh side as we head into the Spring/Summer. Other growing regions are echoing the same sentiments as well. We have already seen Nebraska finish up, and we are seeing much less supply out of Colorado and Wisconsin as well. Both of these regions will finish up over Q2, and it could potentially mean a volatile Summer ahead. National supply reports are showing that there are approximately 3% less potato stocks on hand than there were during this time last year. Depending on how product stores, as well as what happens with demand, will really determine where the market will climb to.

TOMATOES

East Coast

- **Round Tomatoes:** Steady harvest this week on all sizes, markets are down due to heavy inbounds from Mexico. Quality is good on all sizes.
- **Roma Tomatoes:** Steady supply continues, and quality remains good.
- **Grape and Cherry Tomatoes:** Good quality available this week.

Mexico

- **Round Tomatoes:** Excellent supply on all sizes. Excellent quality available this week crossing through Texas and McAllen.
- **Roma Tomatoes: Supply got tight and prices were up a tad as growers transition to newer spring blocks. We expect the market to remain tighter over the next ten days** crossing through Texas and McAllen.
- **Grape Tomatoes and Cherry Tomatoes:** Strong numbers and excellent quality continue out of Mexico.
- **Medley Grape Tomatoes:** Strong numbers and excellent quality continue out of Mexico.
- **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.