

Weekly Market Review

August 11, 2023

Overview

Cucumbers supply is slowly improving in the east as more local farmers begin to harvest, volume is improving crossing through Texas and Otay Mesa. The hot pepper and tomatillo market remains very active with Sinaloa completed and Baja late to start, which is driving prices higher with strong demand on the Mexican national market keeping a majority of the product in Mexico. California volume continues to ramp up on hot peppers. Tomatoes remain tight this week crossing from Mexico, volume in the east will be hit and miss this week due to rain, and California tomato production is stable. Cantaloupe and honeydew production is now in full swing out of Firebaugh and Patterson. We are seeing tight supply on Pineapples and expect this to continue through October. The shortage of large avocados is expected to last into September, possibly longer. End users are sizing down where possible as reducing demand on 48s & larger will support a decrease in those overall market price points. The next Mexico crop transition will be from Loca into Aventajada in September, coinciding with Peru programs transitioning back into Mexico. While the market will continue to adjust up & down week-over-week, the big downward adjustment that we would all like to see isn't likely until Q4. Asparagus supplies remain minimal, especially on larger sizes large and larger. Mexico continues to face ongoing weather issues lowering yields and spear sizes, and there continue to be seedy tips. Peru is amid transition from the northern to the southern growing region, which is typical for this time of year. However, these volumes won't be felt until early September.

Market Alert

- Avocados – **EXTREME**
- Asparagus – **EXTREME**
- Bok Choy – **ESCALATED**
- Brussels Sprouts – **ESCALATED**
- Carrots – **ESCALATED**
- Garlic – **ESCALATED**
- Ginger – **EXTREME**
- Hot Pepper (All Varieties and Tomatillo) – **EXTREME**
- Lettuce, Iceberg – **ESCALATED**
- Limes – **ESCALATED**
- Napa – **ESCALATED**
- Onions – **ESCALATED**
- Parsley (Curley & Italian) – **ESCALATED**
- Pineapple – **ESCALATED**
- Potatoes – **ESCALATED**
- Snow & Sugar Snap Peas – **ESCALATED**
- Tomatoes – **ESCALATED**

Watch List









- Blackberries
- Green Beans
- Lemons
- Strawberries
- Raspberries
- Tomatoes (Mexico)
- French Beans

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

SALINAS, CA

Thu 8/10	Fri 8/11	Sat 8/12	Sun 8/13	Mon 8/14	Tue 8/15	Wed 8/16	Thu 8/17
70° 58°F	69° 58°F	70° 58°F	74° 58°F	75° 58°F	75° 58°F	74° 58°F	74° 60°F
							
AM Clouds/PM	AM Clouds/PM	Partly Cloudy	Partly Cloudy	Mostly Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy

OXNARD, CA:

Thu 8/10	Fri 8/11	Sat 8/12	Sun 8/13	Mon 8/14	Tue 8/15	Wed 8/16	Thu 8/17
73° 63°F	73° 62°F	72° 61°F	73° 62°F	73° 62°F	74° 63°F	75° 62°F	74° 63°F
							
Mostly Cloudy	AM Clouds/PM	Mostly Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny	Partly Cloudy

JALISCO, MX

Thu 8/10	Fri 8/11	Sat 8/12	Sun 8/13	Mon 8/14	Tue 8/15	Wed 8/16	Thu 8/17
81° 66°F	81° 67°F	82° 67°F	84° 67°F	85° 68°F	85° 68°F	86° 68°F	84° 67°F
Thunderstorms	Scattered Thunderstorms	Thunderstorms PM	Thunderstorms PM	Thunderstorms Scattered	Thunderstorms PM	Thunderstorms PM	Thunderstorms Scattered

VIZCAINO, BAJA SUR

Thu 8/10	Fri 8/11	Sat 8/12	Sun 8/13	Mon 8/14	Tue 8/15	Wed 8/16	Thu 8/17
95° 67°F	95° 65°F	97° 66°F	98° 66°F	100° 69°F	103° 70°F	105° 73°F	105° 73°F
Sunny	Partly Cloudy	Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Sunny

ARVIN, CA

Thu 8/10	Fri 8/11	Sat 8/12	Sun 8/13	Mon 8/14	Tue 8/15	Wed 8/16	Thu 8/17
88° 69°F	94° 71°F	98° 73°F	101° 77°F	105° 77°F	106° 77°F	105° 78°F	104° 77°F
AM Showers	Sunny	Sunny	Mostly Sunny	Sunny	Sunny	Sunny	Sunny

SELMA, CA

Thu 8/10	Fri 8/11	Sat 8/12	Sun 8/13	Mon 8/14	Tue 8/15	Wed 8/16	Thu 8/17
88° 65°F	92° 65°F	96° 68°F	101° 72°F	105° 71°F	105° 71°F	105° 71°F	103° 70°F
Mostly Cloudy	Partly Cloudy	Sunny	Mostly Sunny	Sunny	Sunny	Sunny	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
Cantaloupe and Honeydew	Oh, sweet, sweet melon! There is nothing better than a sweet cantaloupe or honeydew, especially at a summer BBQ. Even though these melons have a similar taste and texture, they can be used interchangeably in most recipes! Honeydew melon can be slightly sweeter with a firm, green flesh, while cantaloupe has softer, orange flesh.

Fruits & Vegetables

Avocados: EXTREME Last week, avocado harvests closed at 55.2M pounds for the U.S., with only volumes from Mexico up. As Mexico moves forward with Loca, the size curve will continue favoring 60s and smaller, 48s are in limited supply, and 40cts & larger are extremely limited. Decent harvest volumes out of California will continue through August, but the overall size curve will remain favoring 60s and smaller as fruit didn't size up as hoped after the winter rains. With the newly reduced crop estimates, the industry is adjusting for an early end to the Peru season. The original projections called for 14% growth over 2022, which was reduced to 8% in June, and now Peru is expecting to close the year with no growth over last season for the U.S. The weather (specifically high temperatures) contributed to smaller fruit and trees dropping fruit prematurely. This season 70% of Peru's volume was shipped to Europe as their season began earlier than the U.S.

Bananas: Steady volume on the horizon expected and no quality issues; fruit size will remain smaller than normal but should be improving.

Pineapples: ESCALATED We expect to see tighter availability on pineapples through the remainder of the quarter due to a decrease in yields throughout the tropics; most of this can be attributed to the changing of the weather patterns from La Nina to El Nino. As a

result of this, many farmers saw their fruiting season start approximately five weeks earlier than normal; factor this with the high drought conditions we are now seeing, the result is some of the lowest fruit production in this current cycle we have seen in years for this time of year. We are also seeing some growers decide to cease operations due to inflationary pressure which is limiting their cashflow for day-to-day farming costs such as labor and fertilizer. Our growers are doing everything they can to navigate through this to ensure we keep the supply chain stable. However, we do feel there might be occasional shortages or pro-rates until we resume a normal availability cycle. We recommend staying in front of this condition by keeping additional inventory on hand as well as planning and placing orders well ahead of time and not on the same day. We hope these adjustments, as well as the ability to be flexible on sizing, will avoid the need to make product substitutions or cause any major shortages. Overall quality remains good.

Table Grapes: Good supply available on all varieties, markets ticked up this week as demand strengthened with schools going back in session and retail demand is higher. Overall quality is good.

Berries

Strawberries: WATCHLIST Availability will continue to be limited through the month of August. While the second push out of Watsonville and Salinas is starting to show, and numbers are projected to increase, the increase will be slow. Santa Maria's fall crop start date has been pushed back again, expected to start the last week of August with no notable volume until mid-September. Strawberries in Watsonville/Salinas are sizing down, conventional counts are roughly 18-22, and organics are 28-32. Crews are dropping between 30-50% of damaged fruit in conventional and organic fields to aid in keeping packs clean. No reports of any labor shortages have helped keep fields rotated in hopes of extending the season and supporting the growers as long as possible this year.

Blackberries: Watsonville growers are past their initial early season push and we will see volume trend down slightly with limited availability until the projected peak in mid-August. Mexico's production continues to decrease and will do so until the end of September, when the previously pruned crop comes back into play. Watsonville's quality has been great, and the fruit size is large.

Raspberries: Volume is steady out of both Watsonville and Mexico. Acreage in Watsonville is limited, availability will remain limited until the peak in mid-August. Quality is exceptional with large berries.

Blueberries: The Pacific Northwest is coming off peak production. Demand and pricing are just beginning to turn up, but we expect that will continue to increase over the next 10-12 days. Both Oregon and British Columbia production volumes are coming off significantly over the next several weeks. It sounds as if Peru will not come in as early or with as much volume as last year so this may help to extend seasons out of the Pacific Northwest. Quality has been good in both OR and BC, BC is slightly better with firmer fruit.

California Citrus

Oranges: Navels out of California are finished. Valencias are in good volume with good quality and supply, peaking on 88's/113's.

Lemons: WATCHLIST Demand continues picking up, market is active. Shippers sure to provide lead time on orders as Fancy grade and small sizes are extremely tight. Argentina is reporting that over 50% of their crop is already on the water or landed and Chile is projecting their crop to be shorter than anticipated. With that said September may get tight across both domestic and import crops.

Limes: ESCALATED Costs in Mexico remain elevated, however, momentum in the U.S. has declined and pricing trends follow suit. The crop is slowly transitioning to the new production cycle in most operations. Peak sizing consists of small fruit, including 230's & 250's; large fruit will remain limited in availability. As we progress through the summer months, weather will continue to play a role in overall quality, which again, will impact the market. Pricing may fluctuate based on prevailing supply and demand trends.

Grapefruit: Star Ruby Grapefruit is being packed in Riverside and the central valley. Currently peaking in a 56/48/40.

Imports/Specialties: Imported mandarins on both the east and west coasts.

West Coast Lettuce

Iceberg: ESCALATED Lettuce supplies are steady. Quality is good overall, but we are still seeing lighter weights and some yield loss due to disease. Demand has been very good with schools starting. The market is still active with a wide range in pricing although overall pricing is slowly adjusting down.

Romaine, Romaine Hearts: Quality on romaine is fair as we are seeing occasional tip or fringe burn present based on specific growing regions throughout the Salinas Valley. There has also been a slight increase in insect pressure because of the warming trend we have seen recently, market is stronger.

Green Leaf, Red Leaf & Butter: Supplies are good with very good quality. Market is steady to slightly stronger with good demand.

Eastern and Western Vegetables

Green Bell Pepper: Good supply out of the Central Valley, the Central coast is about 2 weeks away. East coast volume is steady out of North Carolina and Michigan.

Red Bell Pepper: Good supply available this week out of Arvin. Quality remains strong.

Yellow Bell Pepper: Improving supply this week. Quality remains strong.

Orange Bell Pepper: Good supply crossing through McAllen and Nogales and quality is good.

Mini Sweet Pepper: Light supply this week loading in Nogales.

Mixed Chili Pepper: EXTREME In the east, chilies and tomatillo are still tighter than normal but available on the following varieties: Cubanelle, jalapeno, long hot, poblano. Shortest industry wide are red Fresno, poblano, Anaheim, serrano, shishito, red jalapeno. In the west, we are seeing lighter volume crossing from Mexico this week and Sinaloa is done and Baja is late to start causing very high demand on the Mexican National Market. Markets are escalated on all varieties. We expect active markets for upwards of 2-3 weeks until we can get some steady volume out of the growing regions in Mexico.

Eggplant: Good quality and supply out of North Carolina, while in the west stable numbers are available out of Fresno.

Slicer Cucumbers: Volume is steady out of McAllen and Baja. North Carolina and some of the other local deals, like Michigan continue to see stable numbers. Overall, the quality is good.

English Cucumbers: Good supply available with excellent quality.

Pickles: Lighter supply out of Michigan this week and quality will be mixed.

Green Beans: WATCHLIST Markets are mixed with a wide range of quality by region.

French Beans: WATCHLIST Production has fallen off this week due to rain in Guatemala. We have started to see weather-related quality issues upon arrival. Rain has affected shelf life.

Zucchini/Yellow Squash: Markets are stable this week with stable numbers North Carolina, Michigan, and Tennessee in the east. In the west we continue to cross supply in McAllen, and Nogales is done until October. Fresno and Santa Maria are going strong on Italian and yellow.

Herbs

Domestic herbs supply is steady on all standard varieties but encountering sporadic heat related quality issues. We still see weather impacting herbs from Colombia and Mexico's labor issues.

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

Steady production expected on cantaloupe and Honeydew out of the Central Valley.

Cantaloupe: Cantaloupe quality is excellent with high shell color and very minimal rind with outstanding internal color. The brix levels are averaging 14-16%. Sizing is trending mostly to regular 9s followed by 12s. Jumbo fruit is limited.

Honeydew: Honeydew is now in full production peaking on 5's and 6's. Large sized fruit is limited. Quality is outstanding with clean and smooth skin, and brix levels averaging 13-15%.

Watermelon: Overall quality is good, and availability is good. Many local deals are ramping up and complementing the primary shipping points in the Central Valley, North Carolina, Texas, and Arizona.

Mixed Vegetables

Artichokes: Supplies continue to improve, especially on larger sizes, market remains active.

Arugula: Supplies are good with very good quality

Asparagus: **EXTREME** The effects of El Niño continue in all Mexican and Peruvian growing regions and the markets continue to be short on large, XL, and jumbo sizes. Mexican and Peruvian quality is fair at best. As a result of El Niño, overall production is down as high as 40% out of Mexico, as high as 60% out of Peru.

Bok Choy: **ESCALATED** Market continues active with very light supplies.

Broccoli/Broccoli Crowns: Quality is very good, but overall supplies are lighter.

Broccolini: Good supplies with very good quality. Demand remains strong.

Brussels Sprouts: **ESCALATED** Brussels sprouts continue in very short supply as Mexico still has quality issues from weather challenges, which is reducing yields. Quality of product in Salinas is good although Salinas production is around 3 weeks behind due to cooler and wet conditions during the growth cycle and growers continue to go into fields early causing less yields and smaller product, further creating less supplies. Expect supplies to continue short for approximately the next 2 weeks before we see better supplies.

Carrots: (JUMBOS) **ESCALATED** Overall supplies are good but, Jumbos are still slow getting ramped up. Quality is good.

Cauliflower: **WATCHLIST** Open market trends are increasing as recent hot temperatures have impacted supplies and quality, market is stronger.

Celery: **ESCALATED** Supplies have improved, market has stabilized. Quality is very good.

Cilantro: Supplies are improving with very good quality. Market remains active although pricing continues to trend down.

Corn: Corn supply is stable this week and quality is good.

Fennel: Supply is better, quality is very good.

Fennel: **WATCHLIST** Supply is better, quality is very good. Market remains very active.

Garlic: **ESCALATED** The 2023-2024 California Garlic season has started. Market continues active as supplies ramp up quality is looking good.

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: Supplies continue to improve with very good quality. Demand is good.

Green Onions: Green Onion market is strengthening with higher prices. Northern Mexico is experiencing some very high temps as well as some rain last weekend. These weather events will put the crop through stress which then slows down the growing process. Look for the market to continue to strengthen.

Kale (Green): Supply is steady with good quality. Market is active.

Mushrooms: Quality is good, and supply is stable.

Napa Cabbage: **ESCALATED** Supplies are still very light, and the market remains very active.

Parsley (Curly, Italian): **ESCALATED** Quality is improving, market remains active.

Rapini: Supplies are improving but still below average. Quality is very good, and market remains active.

Red Cabbage: Supplies continue to increase with very good quality. Pricing continues to adjust down.

Spinach (Bunched & Baby): Supplies are slightly lower with some slight yellowing showing in some fields.

Spring Mix: Supplies are good with very good quality.

Snow Peas and Sugar Snaps: **ESCALATED** Guatemala's production of both peas continues to be low due to the weather. We have seen a slight increase in Guatemala's snow pea production. Peruvian pea quality is excellent, but production is slow due to the weather. Snow's supply is limited out of California. Market active, good demand, fair to good quality. Sugar snaps demand exceeds supply out of California. The market is very active.

Onions

Onions are tightening back up in California as the Imperial Valley region winds down, and the San Joaquin Valley is slow to ramp up. We continue to see the size profile heavy to big onions, with very few medium yellows to speak of. This is reflected in the USDA market report as well, as Mediums are close to the same price as Jumbos, and Colossal/Super Colossal are no longer several dollars apart. Mexican onions are crossing through South Texas again primarily on yellows and whites. These are from later regions and seem to be exhibiting better quality than the Mexican onions we saw about three weeks ago. Their challenge is that they do not have red onions to ride with their yellows. This should be a short-lived supply source and will likely dry up in another week or so. Luckily, New Mexico growers are just now hitting their stride on volume this week to make up for the shortfall in California. Size profiles are healthy with a good mix across the board. Like California, we are seeing more plentiful big onions than we have been on the small sizes. Like California, this is causing mediums to be priced much closer to the jumbo price than we typically see for this time of year. We do anticipate this profile will become more balanced in both California and New Mexico in the coming weeks. Pricing relief is beginning to arrive, and it certainly feels that overall supply – between both NM and CA – is improving. However, there is still believed to be a gap upcoming around early July because of the heavy rain that took place during growing. The truck market continues to settle out at much 'healthier' rates than they had been during the Spring.

Potatoes: ESCALATED

Potato demand continues to remain flat for the time being. We have now seen the market stabilize for approximately the last month. The long-term outlook has not changed here, and we still anticipate a very challenging Summer overall. Availability seems to be flipping some with all sized cartons being readily available, and retail bags and small sizes tightening up some. Norkotah supply continues to wind down, and most of the state is packing Burbanks from here on out until new crop. The processors are still chomping at the bit for more product, but so long as the fresh market outpaces the processor offers (which it currently is) then the fresh will not lose any supply to processors. The biggest wakeup calls on this Summer's supply challenges is that sheds are already beginning to talk about finishing up. Sheds in Washington are not much better off than Idaho. Once the Summer demand picks up, all these orders that were being packed by sheds that have dropped out, are going to have to go somewhere. Once that happens, we are likely to see the market take a big increase and will likely continue to increase as time progresses until new crop. The market has the potential to make last year's supply situation look 'cheap' if things continue at their current pace. Next year's Idaho crop continues to be behind schedule. Growers were going to struggle to make their existing supplies last into August to begin with. Now that we know with certainty that there will not be early Idaho potatoes to harvest, a gap between old crop and new crop is almost a certainty. Our primary growers are targeting finishing around August 4th now. Based on the 120 days the crop typically takes to harvest, we likely will not see new crop Idaho potatoes until sometime around August 24th or 28th. During this time, we will likely have to supplement with some of the earlier non-Idaho options (Washington and Nebraska).

Tomatoes: East Coast

- **Round Tomatoes:** Lighter volume available in all local regions, particularly on larger sized fruit. We have seen a lot of rain that has delays harvesting multiple days. We are hoping for a run of some dry weather over the next few days that will dry out the

fields and able to get some steady picking days on the schedule Fruit in general does look good, we are seeing some quality issues related to rain but expect that to improve soon.

- **Roma Tomatoes: ESCALATED** Still seeing short markets with local supply being very light with growers planting less and crops being late we expect firmer markets for up to 3 weeks. Quality is mixed.
- **Grape and Grape Tomatoes: ESCALATED** Markets remain lighter than normal but expected to improve over the next week.

Tomatoes: Mexico

- **Round Tomatoes: ESCALATED** Markets remain firm this week crossing through McAllen, with larger fruit getting a premium. Light crossings expected through Otay over the next 2 weeks mainly due to cool weather that has slowed maturity. Overall quality is excellent on new crop fruit.
- **Roma Tomatoes: ESCALATED** Light volume and firm markets continue; transitions weather impacts are causing delays in harvest, quality issues and pushing the market higher. In addition to this, the east is short on romas adding additional demand to an already tight market. Quality is hit and miss with a lot of high color out there.
- **Grape Tomatoes and Cherry Tomatoes: ESCALATED** Lighter volume crossing this week at all crossings. We continue to see a stronger pricing and good demand on the horizon. Overall quality is good.
- **Medley Grape Tomatoes: ESCALATED** Lighter volume this week with fair quality.
- **Tomato on the Vine:** Excellent quality available. Supply was tighter this week and prices were up due to increased demand.
- **California Tomatoes:** Steady volume and overall good quality.

APPLES

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.

Stone Fruit

Apricots: Steady availability out of California and Washington.

Cherries: Steady availability out of Washington.

Figs: Black Missions are available out of California

Peaches: Good supply out of California on white and yellow flesh varieties; South Carolina while Georgia expected to have a very light crop this year. Markets remain firm.

Nectarines: Supply is steady on white and yellow flesh out of California.