

Weekly Market Review

December 29, 2023

Overview

We continue to see very short markets on mixed vegetables; those items are included, but not limited to the following: Beans, Corn, Tomatoes (All Varieties), Squash, Bell Pepper (Red and Green), Cucumber and Eggplant. Tomatoes out of Florida and Mexico remain extreme this week and we are even seeing some shippers declare Act of God. Hot peppers are done from Central Mexico and in transition to Sinaloa. We will see some delays this week, particularly in logistics in getting product to the border due to the Holidays. We may see some delays and pro-rates this week. Due to these delays and markets being so short, there is not enough volume to keep any additional inventory. The unseasonably cool weather in South Florida and Mexico this fall has created delays, as well as impacted quality of crops post-harvest and volume. All of this is a result of the change we have seen in the weather patterns as El Nino takes hold on the Southern Hemisphere impacting start/completion dates, as well as transition schedules on several crops. We expect to see higher markets through the end of the year and potentially into 2024. In the coming month, future avocado markets will heavily rely on the balance between demand and supply. When comparing this year to the previous year, the quantity of harvest trucks has decreased by 13.5% (this data is derived from the transportation of crops from the fields to the packing houses). Currently, growers are harvesting at higher altitudes compared to the same period last season, which will likely result in lower yields towards the end of the crop. It will be crucial to refer to the revised crop estimate, which is expected to be published by APEAM in the first quarter. Some growing regions in Guatemala are affected by freezing temperatures and frost from last week. Growers are still evaluating crop damage due to the freeze, but the following products could be affected: Baby Peeled Carrots, Baby Squash, French Beans, Sugar Snap Peas, and Snow Peas. In Yuma, the weather was as expected, dropping approx. 1 – 1 ½ inches of rain depending upon the growing area. Most of the rain fell on Thursday night into Friday and with the Christmas holiday on Monday, there was very little interruption in supplies. More rain is in the forecast for the entire West Coast of California, extending through the weekend. At this time, no rain is forecasted for Yuma through the middle of the week, next week.

Market Alert









- Avocados – **ESCALATED**
- Asparagus – **EXTREME**
- Basil - **ESCALATED**
- Blueberries – **ESCALATED**
- Broccolini - **EXTREME**
- Carrots – **EXTREME**
- Cauliflower - **ESCALATED**
- Celery - **ESCALATED**
- Table Grapes- **ESCALATED**
- Hot Pepper (All Varieties) – **EXTREME**
- Limes - **ESCALATED**
- Mushrooms- **ESCALATED**
- Onions – **ESCALATED**
- Pepper Red Bell- **ESCALATED**
- Potatoes – **ESCALATED**
- Snow & Sugar Snap Peas – **ESCALATED**
- Tomatoes - (Rounds, Romas, Grape & Cherry) **EXTREME**

Watch List









- Artichokes
- Broccoli
- Florida Veg
- Ginger
- Oranges, small sizes
- Raspberries
- Strawberries

Weather









YUMA, AZ

Thu 12/28	Fri 12/29	Sat 12/30	Sun 12/31	Mon 1/1	Tue 1/2	Wed 1/3	Thu 1/4
72° 48°F	71° 46°F	70° 46°F	66° 48°F	66° 45°F	69° 45°F	66° 48°F	65° 47°F
							
Sunny	Mostly Cloudy	Mostly Sunny	Mostly Cloudy	Partly Cloudy	Sunny	Partly Cloudy	Partly Cloudy









OXNARD, CA

Thu 12/28	Fri 12/29	Sat 12/30	Sun 12/31	Mon 1/1	Tue 1/2	Wed 1/3	Thu 1/4
64° 51°F	63° 54°F	61° 48°F	61° 49°F	64° 46°F	62° 50°F	60° 48°F	62° 47°F
							
Partly Cloudy	Cloudy	AM Showers	Cloudy	Mostly Sunny	Mostly Cloudy	Showers	Partly Cloudy









CULIACAN, SINALOA

Thu 12/28	Fri 12/29	Sat 12/30	Sun 12/31	Mon 1/1	Tue 1/2	Wed 1/3	Thu 1/4
83° 50°F	85° 52°F	86° 53°F	85° 55°F	83° 55°F	82° 50°F	82° 50°F	81° 53°F
 M Clouds/PM	 Sunny	 Sunny	 Mostly Sunny	 Mostly Cloudy	 Mostly Sunny	 Mostly Sunny	 Sunny









JALISCO, NAYARIT

Thu 12/28	Fri 12/29	Sat 12/30	Sun 12/31	Mon 1/1	Tue 1/2	Wed 1/3	Thu 1/4
72° 46°F	74° 47°F	76° 50°F	76° 51°F	76° 53°F	71° 50°F	73° 48°F	73° 50°F
 Partly Cloudy	 Sunny	 Sunny	 Partly Cloudy	 Cloudy	 Cloudy	 Mostly Sunny	 Mostly Sunny

VIZCAINO, BAJA SUR

Thu 12/28	Fri 12/29	Sat 12/30	Sun 12/31	Mon 1/1	Tue 1/2	Wed 1/3	Thu 1/4
78° 48°F	79° 44°F	78° 44°F	74° 45°F	71° 46°F	70° 45°F	73° 46°F	68° 49°F
 Sunny	 Partly Cloudy	 Partly Cloudy	 Partly Cloudy	 Sunny	 Partly Cloudy	 Mostly Sunny	 Partly Cloudy

IMMOKALEE, FL

Thu 12/28	Fri 12/29	Sat 12/30	Sun 12/31	Mon 1/1	Tue 1/2	Wed 1/3	Thu 1/4
66° 54°F	69° 49°F	66° 47°F	70° 45°F	72° 53°F	68° 49°F	74° 58°F	74° 53°F
 Showers	 Cloudy	 Partly Cloudy	 Sunny	 Mostly Sunny	 Mostly Cloudy	 Mostly Cloudy	 Partly Cloudy

Fruits & Vegetables

Avocados: ESCALATED Last week's harvest came in at 57.5M pounds, roughly a 15% increase from the previous week. The US inventory is up about 7% compared to the week prior, with an average of around 59M pounds. Mexico accounts for 99.5% of the avocado volume, with limited volume from Colombia and Chile accounting for less than half a percent. There was no avocado production in Mexico this past Monday and limited harvest on Tuesday due to rain. Harvests resumed Wednesday with good volume as the industry prepares for another holiday on Monday, with no avocado production. The size curve coming off the trees is still peaking on the 60s but showing signs of sizing up as 40s & larger become more available.

Bananas: Steady volume expected through Q4 and quality to be good.

Pineapples: Steady volume out of Costa Rica and quality remains good.

Table Grapes: ESCALATED Offshore table grapes are now in full production; markets will be firm through mid-January. Overall quality is good.

Berries

Strawberries: WATCHLIST Overall strawberry markets over the next few weeks are expected to remain higher with limited volumes. Last week California's growing regions saw several days of rainfall which halted harvests. Currently, California's fruit is showing extreme water damage. These issues have resulted in limited volumes out of California. Florida has continued to see rainfall and the quality of the fruit is hit or miss. Volumes are somewhat steady out of Mexico, but the limited volumes out of California and Florida have added considerable pressure out of Mexico. Overall color and firmness is good out of Mexico but there is occasional overripe fruit making it into the pack. Decay is lessening but crews are still finding it here and there, mostly in the higher altitude areas.

Blackberries: Overall quality is good with occasional red cell. Harvest crews are running into overripe and leaky fruit in the fields. Supplies remain lower due to cooler temperatures.

Raspberries: WATCHLIST Supplies are light and demand will likely exceed supply over the next few weeks. Quality has been good, although there are green and broken fruit occurrences and uneven ripening attributed to the colder weather.

Blueberries: Escalated Volume has been slow to start this season out of Chile, but quality is much stronger than early harvests last year. After the hail storms in the Nuble regions, growers are still assessing the total damage. The total volume will likely be affected by this weather event. However, we should see an increase in volumes as peak volumes are expected in weeks 2-5 of 2024. Mexico's crop remains lower due to rain and humidity, causing increased mold pressure and yellow.

California Citrus

Oranges: Rain last week halted some harvesting; shippers are actively working to harvest heavier to avoid issues in supply when they can. The crop is peaking in a 72/88. As the season progresses, the forecast is for small fruit to become extremely tight.

Lemons: Demand is high on large fancy as growers are ramping up in D1, although we are seeing fruit from all 3 districts with sizing peaking on 140/165. Rain in California is slowing harvesting in some areas. Orders need to be booked well in advance.

Limes: ESCALATED Quality is very good, supply crossing the border is steady. Market continues to be active.

Grapefruit: California Grapefruit is being packed in Riverside and the central valley.

Imports/Specialties: Domestic mandarins are available in the central valley of California. Currently peaking in a 28/32 size structure. Pummelos are available in the central valley of Calif, Cara's and Blood Oranges are starting in a light way.

West Coast Lettuce

Iceberg: Supplies are steady and quality has been good with slightly lower than average weights and size, along with some light peeling from the cool weather over the last few weeks. The market has leveled out and the forecast is for steady prices at current levels.

Romaine, Romaine Hearts: Good supplies with very good quality and market looks to remain steady. Expect to see light blister and peel from the recent cool nighttime temps.

Green Leaf, Red Leaf & Butter: Good supplies with very good quality. Market looks to remain steady.

Eastern and Western Vegetables

Green Bell Pepper: WATCHLIST Better volume out of Mexico this week. Florida will be shorter due to cooler weather and rain, but overall quality is good.

Red Bell Pepper: ESCALATED Lighter supply available out of Nogales and Florida as our growers are into newer blocks. We expect to see some pro-rates over the next 3 weeks and hope to see improvements as volume increases.

Yellow Bell Pepper: WATCHLIST Lighter supply available out of Nogales, Texas, and Baja as our growers are into newer blocks.

Orange Bell Pepper: WATCHLIST Lighter supply available out of Nogales, Texas, and Baja. Quality remains strong.

Mini Sweet Pepper: WATCHLIST Lighter supply this week loading in Nogales.

Mixed Chili Pepper: EXTREME In the east, the hot pepper market is hit or miss. Supply out of Central Mexico will be done for the season and transition to Culican. This will be extremely challenging not just due to a lack of supply, but also a lack of logistics during the holiday week. We will see border delays/ crossings this week further impact very light volume across the entire category. Serrano, Poblano, Tomatillo and Habanero will continue to be the shortest. Quality will be fair at best on all varieties.

Eggplant: WATCHLIST Overall supply is good out of Nogales while Florida will be short this week. Overall quality is good.

Slicer Cucumbers: WATCHLIST Steady volume available out of Mexico crossing through McAllen and Nogales. Florida will be shorter this week due to cooler weather and rain. Overall quality is very good.

English Cucumbers: Steady volume crossing from Mexico; markets were firmer this week. Quality is good.

Pickles: WATCHLIST New crop available out of Florida this week, we are seeing a few more cross in Nogales, and quality is good.

Green Beans: WATCHLIST Markets have turned due to lighter volume of Florida and Crossing through Nogales. Overall quality is mixed.

French Beans: Production and quality have been good, but the recent frost is slowing production. Light supply and fair quality of conventional French beans remain out of Mexico.

Zucchini/Yellow Squash: WATCHLIST Lighter supply available out of Florida, McAllen and Nogales and quality is good.

Herbs

Fresh herbs remain steady, with some quality issues due to last week's rainfall. Growers have good supplies on almost all the herbs, but demand is picking up. Chervil is the only herb that is short in supply due to yellowing, and growers are actively working with their teams to improve this.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Marginal	USA
Basil	Steady	Steady	MEXICO
Opal Basil	Steady	Steady	USA/MEXICO
Thai Basil	Steady	Steady	MEXICO
Bay Leaves	Steady	Steady	COLOMBIA
Chervil	Limited	Limited	USA
Chives	Steady	Steady	MEXICO
Cilantro	Steady	Steady	USA
Dill	Steady	Steady	USA
Epazote	Steady	Steady	MEXICO
Lemongrass	Steady	Steady	USA
Marjoram	Steady	Steady	MEXICO
Mint	Steady	Steady	USA
Oregano	Steady	Steady	MEXICO
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Steady	MEXICO
Sage	Steady	Steady	MEXICO
Savory	Steady	Limited	USA
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	MEXICO
Thyme	Steady	Steady	USA
Lavender	Steady	Steady	USA
Lemon Thyme	Steady	Steady	USA
Lime Leaves	Steady	Steady	USA

Melons

Cantaloupe: Offshore cantaloupe production is yielding larger fruit, heavy to 9's. Shell cast color is a bit greener than expected, but brix levels are good. Reports are ranging 12-16%. Markets will be firm through January.

Honeydew: Offshore honeydew supplies are limited lighter, and sizing is heavy to 5's. External quality has been good except for a few scars and Internal quality is providing brix levels in the 10-13% range.

Watermelon: Overall quality is good out of Mexico and markets were much higher this week. The first arrivals of the offshore fruit is scheduled to arrive in 7 to 10 days.

Mixed Vegetables

Artichokes: WATCHLIST - Overall industry supplies continue to be very light with strong demand. and most shippers are only able to cover averages until supplies increase. Expect supplies to start increasing in early January.

Arugula: Supplies are good with good quality

Asparagus: EXTREME Asparagus production is still limited in all growing regions in Mexico due to cooler temperatures. Peru production continues to be low due to field transitions from the south to the northern growing regions. Larger sizes are still extremely limited in all regions. Markets are extremely active with less production from all regions.

Bok Choy: Good supplies with good quality.

Broccoli/Broccoli Crowns: WATCHLIST Overall quality is good, although we are still getting some reports of light mildew. Available supplies are trending slightly lower which will extend into next week. Market is strengthening.

Broccolini: ESCALATED – Broccolini continues light in supplies. Volume in Salinas remains light, and Mexico is behind in getting started for the season. Other varieties such as Artisan Broccoli and Sweet Baby Broccoli are plentiful with good quality.

Brussels Sprouts: Quality is very good with good supplies.

Carrots: (JUMBOS, MEDIUMS and CELLOS) EXTREME Very limited supply on Jumbo and Medium Carrots in California and growers are in a demand exceeds supply situation. Fields in the Salinas and Bakersfield region are not sizing up. Expect Jumbo carrots to remain in light supply, well into Q1, 2024.

Cauliflower: ESCALATED Supplies continue light with overall good quality. Over the next 2 weeks, we should see supplies slowly improve.

Celery: ESCALATED Quality is good, overall supplies are still limited. Demand has settled now that the holiday pull is over, market is steady.

Cilantro: Cilantro supplies, and quality continue to improve.

Corn: WATCHLIST Lighter supply continues due to cooler weather in Florida. In the West, light supply is available in Nogales. Markets will be higher this week; supply short, but quality is good.

Fennel: WATCHLIST Current supplies are light, quality is good. Expect supplies to remain light.

Garlic: The 2023-2024 California Garlic is in full swing. Quality is good.

Ginger: Supplies and market are steady

Green Cabbage: Supplies are steady with very good quality. Demand is good.

Green Onions: Supplies will be lighter for the next 12 days due to labor being short in Mexico through the Holidays.

Mushrooms: ESCALATED Quality is good, and supply is volatile as growers scaled back some of their production due to lack of demand in recent weeks. We are seeing very short markets on white and cremini mushrooms. We expect the seasonal volatility through December.

Napa Cabbage: Supplies are good with good quality.

Parsley (Curly, Italian): Supplies and quality are good, market is steady.

Rapini: Good supplies with very good quality in both Salinas and Yuma.

Red Cabbage: Supplies are steady with good quality. Demand is good.

Spinach (Bunched & Baby): Good supplies and good quality.

Spring Mix: Supplies are good with very good quality.

Snow Peas and Sugar Snaps: ESCALATED Guatemalan quality and production on both peas have been good but will most likely be adversely affected by the freeze. Markets are becoming active. Domestic is gapping while Mexico has started with limited quantities. Expect this trend to continue for the next couple of weeks.

Onions:
ESCALATED

Several factors have caused onion markets to double in the last two weeks alone. The first was the hurricane that took place back in the Fall. This weather event negatively impacted the domestic crop due to copious amounts of rain and the Mexican crop. Growers in

the Pacific Northwest have been experiencing unusually high levels of shrinkage. On average, they must run 30% more than normal to achieve the same pack out as last year. The early Mexican crop was primarily white onions, so growers were paying top dollar for the domestic product because that crop was lost. We also hear that Japan is without its domestic onions and is leaning heavily on the US crop. This is all leading to a global shortage that should cause the onion market to remain elevated until Mexico's new crop comes into the mix, which is a big wildcard now. If Mexico's crop is in okay shape and is just delayed, this will help to add supply and alleviate the market a bit. If they are in worse shape than we know, we are likely to see the market remain elevated for a much longer period.

Potatoes:

The market continues to feel stable on all sizes and grades for the moment, with the exception of 40ct potatoes. While potatoes as a whole should remain plentiful, we do anticipate 40ct commanding a premium more often than not until the end of the crop. They have continued to be available for mixers, but we are not seeing very much straight load availability, or even availability in heavy volume. There will be some lots that are better than others throughout the season, but this does appear to be a theme moving forward. Because of this, we do anticipate that we may see a pretty big gap between 40ct/50ct and the rest of the sizes. The good news is that food service sized cartons in the middle size range (60/70/80) appear to be plentiful. Unfortunately, at their current return levels on 90s/10s/2s and retail bags, growers are losing quite a bit of money. The rest of Q1 will be a combination of both Burbanks and Norkotahs being shipped, and during the beginning of Q2 (in April), we will see Norkotahs wind down and will be shipping exclusively Burbanks until new crop in The Fall. In general, there are no major headwinds expected in the potato market during the first half of the year.

Tomato Update:

Most tomato shippers are currently down over 50% on volume and we will see major pro-rates this week across the category, with some shippers declaring Act of God. We expect this situation to continue until we can get into favorable weather for the crops to grow. Conditions may be like this through January 15th. In this case, contracts will be in escalation, with delays and pro-rates. Our team continues to keep a close eye on this situation. Fortunately, we may see a few growers in Mexico start a few cleanup picks, which hopefully means we are closer to seeing more volume.

What we can expect over the next month.

- A later than normal start to the Sinaloa season due to weather related issues from hurricanes to drought have impacted the growing regions. This could impact the overall tomato supply should Florida not have the ability to support the imbalance.
- Seasonal escalations in the tomato markets due to lighter supply and higher demand. We could see markets in the mid to upper \$30 range over the next 1-2 weeks.

When can we expect to see some relief?

- Could be between now and Mid-January due to the rain events in Mexico causing damage and delays.
- **Is there a need to sub?** Yes, the need to be flexible on sizing and varieties is critical as we are seeing pro-rates this week. Please review your alternate specifications should subs be necessary over the coming weeks.

Tomatoes: East Coast

- **Round Tomatoes, Roma Tomatoes, Grape, and Cherry Tomatoes: EXTREME:** We expect to see very short crops, escalated pricing, and potential for pro-rates. It has been unseasonably cool in South Florida over this fall, impacting all tomato crops. We expect to see higher markets through the end of the year and potentially into 2024, with availability abbreviated during the New Year's week pull.

Tomatoes: Mexico

- **Round Tomatoes, Roma Tomatoes, Grape, and Cherry Tomatoes: EXTREME** We expect to see a very short crop condition continue this week with escalated pricing and potential for pro-rates. We are starting to see some additional crossings this week but it is going to take some time for this to improve. Most of this interruption in supply is due to recent rain events throughout Mexico and damage sustained from Hurricane Norma earlier this fall. Markets are expected to be short through Mid-January.
- **Medley Grape Tomatoes: EXTREME** Lighter volume this week with fair quality.
- **Tomato on the Vine: EXTREME** Lighter supply and higher prices this week and quality is good.

APPLES

Apples: Washington State Apples remain in good promotable volumes on all varieties. Quality has been very good and is expected to remain good for the foreseeable future. Sizing is trending toward smaller sizes, 100s and smaller.

Pears: We will see excellent availability of pears now through the new year as growers continue harvesting the new crop. Unfortunately, pear supplies are expected to be slightly lower than last year but will be plentiful through the new year.

Other Fruit

Pomegranates: Early Granada varieties available in the west.

Persimmons: Fuyu and Hachiya varieties available.