

Weekly Market Review

January 12, 2024

Overview

As a result of El Nino weather pattern and the impacts on the fall and winter crops this season in Florida and Mexico, we continue to see production delays and very short supply continue. We expect this to continue beyond this week and possibly into the end of January as another cold front has pushed through Mexico and the Southeast. We anticipate several produce items (tomatoes, hot pepper, squash, corn, bell pepper and cucumber) to be short with light volume over the next week for certain. We hope to see some improvement out of Mexico as temps increase this week, but consistency is needed in daytime and overnight temps, which has not happened this entire season. In the short term, we will continue to see very light inventories on several items, color/ripeness of tomatoes could be impacted and ultimately delay logistics as well. The table grape market is tightening up again due to low supply; we are seeing lighter vessel traffic at all ports impacting the entire industry and expect volatility the rest of the month and possible into January. Recent cold weather in Guatemala has slowed french beans and baby orange carrots production, although the weather has improved, with highs in the mid-70s and lows in the mid-50s. With continued improved weather, supplies are expected to increase. Avocado demand in the field is strong, and the market is getting stronger on 60s and smaller. Most importers are looking for additional opportunities on 48s and larger to balance our size curve and maintain market stability. We may see an inverted market where 60s are more expensive than 48s over the next few weeks and likely hold through the Super Bowl. The size curve out of Mexico is stronger on smaller fruit than is historically 'normal,' but the industry may have hedged a bit too strongly on ads for small fruit as larger sizes are building up in inventory. Size curve aside, plenty of overall volume is available for a successful Super Bowl. The desert growing regions of Southern Calif and Western Arizona (Yuma) have been experiencing cold weather over the last week with several hours of field freeze in the early morning hours. Expect delays in load times due to harvesting starting late from the cold weather. Expect to see the effects of the freezing temperatures in all items.

Market Alert









- Avocados – **ESCALATED**
- Asparagus – **EXTREME**
- Basil - **ESCALATED**
- Cabbage (Red) - **ESCALATED**
- Carrots – **EXTREME**
- Cauliflower - **ESCALATED**
- Corn- **ESCALATED**
- Green Beans- **ESCALATED**
- Green Onions – **EXTREME**
- Table Grapes - **ESCALATED**
- Hot Pepper (All Varieties) – **ESCALATED**
- Limes - **ESCALATED**
- Mushrooms - **ESCALATED**
- Onions – **ESCALATED**
- Oranges (Small Sizes) – **EXTREME**
- Pepper (Red Bell) - **ESCALATED**
- Potatoes – **ESCALATED**
- Strawberries - **ESCALATED**
- Snow & Sugar Snap Peas – **ESCALATED**
- Squash (Green & Yellow) - **ESCALATED**
- Tomatoes - (Romas, Grape & Cherry) **EXTREME**

Watch List









- Artichokes
- Blackberries
- Broccoli
- Broccolini
- Florida Veg
- Ginger
- Melons
- Raspberries

Weather









YUMA, AZ

Thu 1/11	Fri 1/12	Sat 1/13	Sun 1/14	Mon 1/15	Tue 1/16	Wed 1/17	Thu 1/18
62° 36°F	62° 40°F	66° 41°F	70° 44°F	71° 46°F	70° 43°F	72° 47°F	74° 49°F
							
Partly Cloudy/Wind	Sunny	Mostly Sunny	Sunny	Mostly Sunny	Mostly Sunny	Sunny	Mostly Sunny









OXNARD, CA

Thu 1/11	Fri 1/12	Sat 1/13	Sun 1/14	Mon 1/15	Tue 1/16	Wed 1/17	Thu 1/18
60° 42°F	61° 43°F	60° 46°F	63° 45°F	63° 47°F	66° 49°F	65° 51°F	67° 54°F
							
Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy









CULIACAN, SINALOA

Thu 1/11	Fri 1/12	Sat 1/13	Sun 1/14	Mon 1/15	Tue 1/16	Wed 1/17	Thu 1/18
81° 49°F	84° 46°F	86° 49°F	86° 50°F	86° 51°F	89° 53°F	88° 54°F	90° 54°F
							
Partly Cloudy	Partly Cloudy	Sunny	Sunny	Mostly Sunny	Mostly Cloudy	Partly Cloudy	Partly Cloudy









JALISCO, NAYARIT

Thu 1/11	Fri 1/12	Sat 1/13	Sun 1/14	Mon 1/15	Tue 1/16	Wed 1/17	Thu 1/18
71° 50°F	75° 50°F	77° 48°F	77° 52°F	79° 52°F	80° 57°F	80° 59°F	81° 58°F
							
Partly Cloudy	AM Clouds/PM Sun	Mostly Sunny	Sunny	Sunny	Mostly Cloudy	Cloudy	Mostly Cloudy

VIZCAINO, BAJA SUR

Thu 1/11	Fri 1/12	Sat 1/13	Sun 1/14	Mon 1/15	Tue 1/16	Wed 1/17	Thu 1/18
68° 43°F	70° 41°F	77° 48°F	76° 49°F	74° 49°F	74° 50°F	78° 52°F	78° 52°F
							
Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Sunny

IMMOKALEE, FL

Thu 1/11	Fri 1/12	Sat 1/13	Sun 1/14	Mon 1/15	Tue 1/16	Wed 1/17	Thu 1/18
66° 61°F	83° 71°F	73° 56°F	68° 62°F	81° 68°F	78° 51°F	59° 44°F	70° 56°F
							
AM Showers	AM Clouds/PM Sun	Scattered Thunderstorms	AM Rain	Mostly Cloudy	Thunderstorms	Partly Cloudy	Mostly Cloudy

Fruits & Vegetables

Avocados: ESCALATED Last week's harvest came in at 55.8M pounds, a strong start for the new year. Volumes out of the field are strong & will continue building. Over the next 4 weeks, Mexico is projected to harvest +286M pounds, and last year, the 4 weeks leading up to the Super Bowl brought 255M pounds from Mexico. The size curve coming off the trees is still peaking on the 60s but continuing to size up as 40s & larger slowly become more available. The normal crop continues to mature, and dry matter is roughly 31 %.

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 Vessel delays are impacting the ports, and we are seeing lighter supply for market and contract business. We expect this to continue through the month with elevated pricing on market business. Overall quality is good, and we expect volatile markets until the logistics issues are resolved.

Berries

Strawberries: WATCHLIST Strawberry markets will remain higher with limited volumes over the next 2-3 weeks. Continued rainfall in California has halted harvests, and fruit is showing extreme water damage. These issues have resulted in limited volumes out of California. Florida's growing region saw rainfall for most of the week, and production will remain light through January and pick up in February. The lower supplies out of California and Florida have put tremendous pressure on Mexican production.

Blackberries: WATCHLIST Production has remained lower due to cooler temperatures and quality issues. Growers are currently addressing challenges with red cell and leaky berries, but overall, the quality is good.

Raspberries: WATCHLIST Broken fruit and uneven ripening caused by temperature swings. Volume will remain low until the end of January/beginning of February.

Blueberries: Harvests last week were slow out of Mexico due to the holiday and no-shows within the crews. This winter's rain and humidity have caused increased mold pressure and yellowing leaves. Pruning will start soon, and crews will be scratching new crops

soon. Overall import arrival volume is down 40% compared to last season. This is due to a 10-14 day delayed harvest caused by the mild spring in the region. Volume has picked up this week before hitting a small peak in weeks 3-5. We expect a lighter, steady volume this season. The weekly peak arrival volume is down but will be sustained over a longer period.

California Citrus

Oranges (EXTREME ON SMALL SIZES): Small sized oranges are going to be very difficult to get as the year progresses. Weather related issues early in 2023, followed by favorable growing conditions over the summer, accelerated fruit growth this season and the industry is projecting a much larger size structure for all oranges in California. Early reports were that we were not going to see the situation get to a critical point until a little later in the season, but we have spoken to several growers that have reported small fruit has run out now, with only larger sizes available for the remainder of the navel season and into the valencia season. As we progress through the season, flexibility on sizing will be mandatory to get orders filled and shippers will be holding to strict 12-week averages.

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 Supplies crossing from Mexico has declined significantly with increased demand as the Superbowl approaches. Market is significantly higher and expected to continue up over the next few weeks until the Superbowl demand slows down.

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 also available.

West Coast Lettuce

NOTE: Due to episodes of freezing temperatures, all Iceberg Lettuce, Romaine, Romaine Hearts, Green Leaf, Red Leaf and Butter Lettuce will exhibit some degree of blister and peel.

Green Leaf, Red Leaf, Butter, Iceberg, Romaine, Romaine Hearts: Yuma growing region has experienced several days of cooler temps resulting in ice delays across nearly all commodities. Ice delays not only impact the number of hours crews are physically able to harvest product but will result in field trucks with finished goods arriving later than normal to the cooler which will likely push appointment times to late afternoon and evening hours. Current market is steady, but we could see market gain some strength if the cold weather continues.

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.

Color 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 week and hope to see improvements as volume increases.

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

Mixed Chili Pepper: ESCALATED In the east, the hot pepper market is hit or miss. Supply to of Culiacan is improving; Tomatillo and Habanero will continue to be the shortest. Quality is good 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: ESCALATED Markets are higher due to lighter volume of Florida and Crossing through Nogales. Overall Quality is mixed.

French Beans: Production has been impacted by recent cold weather. We have seen some quality issues upon arrival, with light supply and fair quality of conventional out of Mexico.

Zucchini/Yellow Squash: ESCALATED Shipping out of Florida, McAllen and Nogales and quality is good. We expect to see pro-rates this week due to cool weather and very light supply.

Herbs

After the heavy demand from the 2023 holidays, supplies remain steady but on the tight side. There was the normal heavy demand on rosemary, parsley, thyme, oregano, and chives for the past 4 to 6 weeks, and the plants are recovering from the increased harvest. This is very normal as the plants need the warmth of the sun to grow back to our normal rotation. Chives have been short since the start of the new year in several growing regions in and out of the USA. We anticipate this supply issue to last till the end of January. BASIL supplies are running steady so far this year, and quality has been very good.

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: WATCHLIST We are seeing lower than expected yields it does not compare to what the Honduran growers are facing. Cantaloupe production is shorter this week overall which has pushed the market higher. Current sizing is primarily 9/9Js with some 12s coming but we should see a shift down to more normal sizing by next week. Quality from the new growing area is showing good external and internal characteristics. Melons have a slightly higher shell color compared to what was experienced the past seven weeks. Internally brix levels remain strong in mostly the 12-14% range. Flexibility of sizing will likely be necessary.

Honeydew: WATCHLIST Overall honeydew production is expected to be challenging the next 3-4 weeks as Honduras works through their early season issues. With very limited Mexican production the majority of North America has turned its attention to offshore dews but there will only be enough to cover contract commitments leaving the open market in a tough position with higher pricing forecasted. Sizing in the near term from Guatemala is projected to be over 90% 5ct and larger. This is going to put tremendous pressure on the needs for smaller sizing for at least the next two weeks. Quality on dews has been fair to good up to this point of the season (some spotting/discoloration) and we are hopeful the new growing regions in Guatemala provide better consistency. Flexibility of sizing will likely be necessary.

Watermelon: Overall quality is good out of Mexico and markets were much higher this week. Limited offshore availability this week.

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. Peruvian production continues to be low due to seasonality. Quality is fair due to heat in Trujillo, the northern growing region. Larger sizes are still extremely limited in all regions. Markets continue to be extremely active with less production from all regions. Supply out of Caborca should begin in the next three to four weeks, weather permitting.

Bok Choy: Good supplies with good Quality.

Broccoli/Broccoli Crowns: WATCHLIST Cold temps is creating lighter supplies this week and we expect see the same for most of January. Market tone is trending higher with better overall demand, but the quality overall very nice.

Broccolini: Watchlist – 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: Cold temps are having an impact on volumes. Expect markets to continue to firm up, especially if temps remain below normal.

Celery: Quality is good, demand has settled now that the holiday pull is over, market is slightly lower.

Cilantro: Cilantro supplies, and Quality continue to improve.

Corn: ESCALTED Lighter supply continues due to cooler wet weather in Florida while in the west light supply available in Nogales. Markets will be higher this week, supply short, but quality is fair.

Fennel: Supplies have improved, Quality is good.

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: EXTREME Supplies have decreased, and the market has increased significantly. A shortage of labor conditions after the holiday, combined with very cold temperatures in the growing areas, has slowed growth and production. These challenges have led to shortages of product crossing from Mexico for all growers with some growers reporting pro-rates of up to 50% early this week due to light supplies. While we expect to see a slight increase in crossings next week, the volume will still be insufficient to meet total needs, especially if the cold weather continues.

Mushrooms: ESCALATED Quality is good, and supply will remain volatile through January. We are seeing very short markets on white and cremini mushrooms.

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: ESCALATED Quality is good although supplies are lighter. Market is considerably stronger and expected to stay strong through next week.

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

Spring Mix: Supplies are good with very good Quality.

Snow Peas and Sugar Snaps: ESCALATED Due to cooler temperatures, Guatemala's production on snow peas and sugar snaps continues to slow down. Snow and sugar snap markets are very active out of the west with a light supply.

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 the cooler, wet weather we saw this week has further delays an already late/stressed crop. There are a few shippers in Act of God this week, but we hope to see this improve over the next 10 - 14 days. Our team continues to keep a close eye on this situation and will provide updates when needed. Unfortunately, at this point in the season, weather will dictate when we see an improvement in the supply.

Tomatoes: East Coast

- **Round Tomatoes: ESCALATED** Supply is slowly improving and expect this to continue over the next two weeks.
- **Roma Tomatoes: EXTREME** Supply is very short, with pro-rates this week and the hopes of improving volume starting next week.
- **Grape, and Cherry Tomatoes: EXTREME** We expect to see very short crops, escalated pricing, and potential for pro-rates continue through January.

Tomatoes: Mexico

- **Round Tomatoes: ESCALATED** Supply is slowly improving and expect this to continue over the next two weeks.
- **Roma Tomatoes: EXTREME** Supply is very short with pro-rate this week and the hopes of an improving market late next week.
- **Grape, and Cherry Tomatoes: EXTREME** We expect to see very short crops, escalated pricing, and potential for pro-rates continue through 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 continue to see good availability and Quality of pears over the next several weeks.

Other Fruit

Pomegranates: Early Granada varieties available in the west.

Persimmons: Fuyu and Hachiya varieties available.