

# Weekly Market Review

## January 26, 2024

### Overview

In Mexico and Florida, the El Nino weather pattern has severely impacted fall and winter crops this season, and we continue to see production delays and very short supply and expect this to continue for some time. We will continue to see challenges with tomatoes, squash, corn, and cucumber with light volume and pro-rates and subs needed. We hope to see some improvement over the next week as favorable growing conditions are forecasted for both regions, 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, and color/ripeness of tomatoes continue to 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 we expect volatility the rest of the month and beyond. Harvest levels are tracking similarly to last week, and with current U.S. inventories sitting at a high level, the market is expected to remain steady into the Super Bowl. All sizes can be sourced, 48s and 60s are slowly finding a better balance, and it looks like the inverted market isn't going to come to pass. In the longer term, late February & March can bring some market volatility as the crop is ahead of a typical harvest schedule, and there could be some volume limitations during this timeframe. California's 2024 crop estimate is projected to be 208M pounds for the season, and last year, the season closed at 232M pounds and 278M pounds in 2022. The first volume of the 2024 season has been reported, with 23k pounds entering the market last week. Minimal volumes will be posted weekly, with impactful volumes coming in late March/early April. In addition to the recent cold weather in the desert growing regions of Southern California and Western Arizona (Yuma), these same growing areas received over an inch of rain with growers not able to pack any product on Tuesday and into Wednesday of this week due to muddy conditions. Rain has stopped but shippers are still dealing with very muddy fields which is slowing packing and delaying load times. Temperatures are forecast to be above normal next week.

### Market Alert









- Avocados – **ESCALATED**
- Asparagus – **EXTREME**
- Basil – **ESCALATED**
- Broccoli – **ESCALATED**
- Cabbage (Red) - **ESCALATED**
- Carrots – **EXTREME**
- Cauliflower - **ESCALATED**
- Corn - **EXTREME**
- Cucumber - **EXTREME**
- Green Beans- **ESCALATED**
- Green Onions – **ESCALATED**
- Table Grapes - **ESCALATED**
- Hot Pepper (Tomatillo, Poblano & Cubanelle) - **ESCALATED**
- Limes - **ESCALATED**
- Mushrooms - **ESCALATED**
- Onions – **ESCALATED**
- Oranges – **EXTREME ON SMALL SIZES**
- Pepper (Red & Yellow Bell) - **ESCALATED**
- Potatoes – **ESCALATED**
- Strawberries - **ESCALATED**
- Snow & Sugar Snap Peas – **ESCALATED**
- Green & Yellow Squash - **EXTREME**
- Tomatoes (ALL) - **EXTREME**

### Watch List









- Artichokes
- Blackberries
- Broccoli
- Fennel
- Ginger
- Green Bell Pepper
- Melons
- Raspberries

### Weather









#### YUMA, AZ

Thu 1/25	Fri 1/26	Sat 1/27	Sun 1/28	Mon 1/29	Tue 1/30	Wed 1/31	Thu 2/1
70°   51°F	71°   52°F	73°   52°F	76°   53°F	78°   51°F	79°   52°F	78°   55°F	71°   53°F
							
Mostly Sunny	Sunny	Sunny	Partly Cloudy	Partly Cloudy	Sunny	Mostly Sunny	Showers









#### OXNARD, CA

Thu 1/25	Fri 1/26	Sat 1/27	Sun 1/28	Mon 1/29	Tue 1/30	Wed 1/31	Thu 2/1
62°   47°F	67°   52°F	73°   56°F	75°   53°F	69°   51°F	67°   52°F	63°   52°F	60°   48°F
							
AM Clouds/PM	Partly Cloudy	Mostly Cloudy	Mostly Cloudy	Partly Cloudy	Partly Cloudy	PM Rain	Showers









#### CULIACAN, SINALOA

Thu 1/25	Fri 1/26	Sat 1/27	Sun 1/28	Mon 1/29	Tue 1/30	Wed 1/31	Thu 2/1
87°   54°F	90°   54°F	92°   57°F	94°   57°F	92°   62°F	91°   61°F	89°   59°F	89°   58°F
							
Sunny	Sunny	Sunny	Mostly Sunny	Mostly Cloudy	Mostly Cloudy	Mostly Sunny	Mostly Sunny









**JALISCO, NAYARIT**

Thu 1/25	Fri 1/26	Sat 1/27	Sun 1/28	Mon 1/29	Tue 1/30	Wed 1/31	Thu 2/1
77°   51°F	80°   54°F	83°   56°F	86°   60°F	82°   60°F	78°   58°F	75°   55°F	74°   52°F
							
Sunny	Sunny	Sunny	Partly Cloudy	Cloudy	Cloudy	Partly Cloudy	Mostly Sunny

**VIZCAINO, BAJA SUR**

Thu 1/25	Fri 1/26	Sat 1/27	Sun 1/28	Mon 1/29	Tue 1/30	Wed 1/31	Thu 2/1
78°   46°F	73°   47°F	74°   49°F	79°   52°F	81°   55°F	81°   56°F	82°   54°F	75°   53°F
							
Sunny	Partly Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny	Mostly Sunny

**IMMOKALEE, FL**

Thu 1/25	Fri 1/26	Sat 1/27	Sun 1/28	Mon 1/29	Tue 1/30	Wed 1/31	Thu 2/1
85°   66°F	85°   65°F	85°   65°F	81°   51°F	67°   44°F	69°   46°F	73°   49°F	75°   55°F
							
Partly Cloudy	Partly Cloudy	Partly Cloudy	PM Showers	Sunny	Sunny	Mostly Sunny	Mostly Cloudy

**Fruits & Vegetables**

**Avocados: ESCALATED** Last week's harvest came in at 64.5M pounds, a 3% decrease over the previous week. Inventory build-up began earlier this year, and YTD volume from Mexico is 4% ahead of 2023. This early inventory build-up resulted in some excess inventory and pushed USDA price averages down. We can expect price points to stabilize with a lighter harvest for weeks 3 and 4, trending toward similar volumes. The normal crop continues to mature, and the dry matter is averaging 31%. The size curve coming off the trees continues to be equal on 48s and 60s.

**Bananas:** Steady volume expected through Q1 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** Fall crop organic strawberries look good for the most part out of California, with only occasional pin rot, light shoulders, and tops. There are good flower sets and good green fruit that should take this crop through February. Crews are picking ahead of the rain, and this could cause lighter color packs. We may see rain damage next week. Crews will be dropping a lot of fruit, but volume will continue to go up as more acres are brought in. Monterey plants are flowering now and there should be good volume in March. Strawberry quality has improved in Mexico with the improved weather. Color is 90-100% with occasional 85%. Counts are 19-26 with some 28. Temperatures were warm, with highs in the 80s and lows in the 60s out of Florida. A few scattered showers are expected over the next ten days and strawberry quality is good. Crews are doing a great job despite issues in the fields and all Florida fields are in good bloom and will be coming to their peak in a few weeks.

**Blackberries: WATCHLIST** Quality is good. Cooler nighttime temps have lessened the issues with leaky and red cell.

**Raspberries: WATCHLIST** Quality is very good; only occasional light color or crumble. The typical issues this time of year with thrip, are not an issue this year. There should be a slight increase in harvests.

**Blueberries:** Quality is good; cool morning temps are preventing soft fruit. The fruit is a good size with good bloom and only occasional ripped calyx. In Guanajuato, where most of our blueberry growers are, temps are in the high 70's to low 80's and partly cloudy with cool mornings. There is no rain in the forecast and weather has been good. Central South Chile is finishing the mid-season varieties, and the volume will drop significantly. The south will be starting the mid-season varieties and fruit looks good.

### California Citrus

**Oranges: "EXTREME" ON MEDIUM AND SMALL SIZES** Small size Oranges continue to be in extremely short supply and will remain in short supply for the remainder of the season. 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. **NOTE:** Rain is in the forecast for this weekend in Central California which could impact supplies on all sizes as growers will not be able to harvest depending upon how much rain they receive. **AS WE PROGRESS THROUGH THE BALANCE OF THE 2023 CALIFORNIA ORANGE SEASON, FLEXIBILITY ON SIZING AND LOADING AREAS WILL BE MANDATORY IN ORDER TO GET ORDERS FILLED!**

**Lemons:** Demand is high on large fancy, with sizing peaking on 140/165. Rain forecast for this weekend in California could impact harvesting in some areas, orders need to be booked well in advance!! District 3 Lemons will finish mid-February.

**Limes: ESCALATED** Crossings from Mexico are still below average, but demand is lighter. Market is adjusting downward, although many sizes are still escalated.

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

**Imports/Specialties:** Domestic mandarins, pummelos, and blood oranges are available in the central valley of California.

### 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.**

**Iceberg:** The desert growing regions received over an inch of rain on Tuesday of this week, creating very muddy conditions in the fields. Due to the rain, growers were not able to harvest on Tuesday. On Wednesday, many were able to get back into the fields and due to the muddy conditions, harvesting was very slow causing loading delays. Rain has passed, but it will still take most of the week for shippers to catch up. Current market is steady with good availability and Weather forecast is good with slightly above normal temperatures going into next week. **Please see note above!**

**Romaine, Romaine Hearts:** Market is slightly stronger. Some shippers are packing 2<sup>nd</sup> label only due to blister and peel from the recent cold weather. **Please see note above as we expect to see effects of the freezing temperatures in both romaine and the romaine hearts.**

**Green Leaf, Red Leaf & Butter:** Same as with Iceberg and Romaine listed above. **Please see note above as we expect to see effects of the freezing temperatures on leaf items as well.**

### 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** Improving supply available out of Mexico this week, we hope to see Florida to follow in the coming weeks as our growers break newer blocks. Quality out of Mexico is good.

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

**Mixed Chili Pepper: ESCALATED** Improving supply available from Sinaloa as well as Florida. Tomatillo, Cubanelle and Poblano seem to be the tightest this week. Quality is good on all varieties.

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

**Slicer Cucumbers: EXTREME** Very light volume available out of Mexico crossing through McAllen and Nogales. Honduran fruit is very short as well, rain and weather pressure have caused major delays in fruit arriving in Miami. Overall quality is fair, and we recommend subbing to english cucumbers if there are pro-rates or shorts.

**English Cucumbers:** Steady volume crossing from Mexico. Markets were firmer this week due to lighter supply of slicer cucumber. Quality is good.

**Pickles: WATCHLIST** New crop available out of Nogales and quality is good.

**Green Beans: ESCALTED** Markets are higher due to lighter volume of Florida and Crossing through Nogales. Overall Quality is mixed.

**French Beans:** Production continues to be affected by cold weather out of Guatemala. We are still seeing some quality issues upon arrival and prorates at the farm level. Light supply and fair quality of french beans out of Mexico.

**Zucchini/Yellow Squash: EXTREME** Shipping out of Florida, McAllen and Nogales and quality is fair. We expect to see pro-rates this week due to cool weather and very light supply for the next 2-3 weeks.

**Herbs**

Fresh herbs are steady this week, but we are looking at potentially having some quality issues in the upcoming weeks. We should be able to have our normal 100% fill rate, but quality took a little hit from the cold and rain. Dill, Thyme, and Oregano will turn purple due to the cold, and some locations have this issue. Although the herbs are fine to cook with, their appearance will throw you off.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Marginal	USA
Basil	Limited	Steady	USA/MEX
Opal Basil	Steady	Steady	USA
Thai Basil	Steady	Steady	USA/MEX
Bay Leaves	Steady	Steady	USA/COL
Chervil	Limited	Limited	USA
Chives	Short	Steady	MEX
Cilantro	Steady	Steady	USA/MEX
Dill	Steady	Steady	USA/MEX
Epazote	Steady	Steady	MEX
Lemongrass	Steady	Steady	USA
Marjoram	Steady	Steady	USA
Mint	Steady	Steady	USA
Oregano	Steady	Steady	USA
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Steady	USA
Sage	Steady	Steady	USA
Savory	Steady	Limited	USA
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	MEX
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**

**NOTE: Due to episodes of freezing temperatures, all Items grown in the desert growing regions of California and Yuma, may exhibit some degree of freeze related issues.**

**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:** Many shippers are reporting lighter supplies and quality is good. Some harvesting has been delayed due to the rain earlier in the week.

**Asparagus: EXTREME** Asparagus production has improved and should continue to improve next week. It has started to warm up in the Caborca and San Luis, Mexico growing regions. 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. Volume out of Caborca should start within the next 7-10 days.

**Bok Choy:** Good supplies with good Quality.

**Broccoli/Broccoli Crowns: ESCALATED** Supplies are steady and pricing is still escalated with some harvesting delayed due to the rain earlier in the week.

**Broccolini: WATCHLIST** Supplies are steady with good quality. The cold weather may have an effect on quality going forward but we are currently not seeing any quality defects at this time. Other varieties such as Artisan Broccoli and Sweet Baby Broccoli are also available 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 are steady, and pricing is still escalated with some harvesting delayed due to the rain earlier in the week.

**Celery:** Quality is good, Demand has settled now that the holiday pull is over, market is steady.

**Cilantro:** Cilantro supplies, and Quality continue to improve.

**Corn: EXTREME** Lighter supply continues due the cold weather and lack of sun in Florida this season. In the west, Noglaes is dealing with the same issues resulting in very light supply. Markets are pushing the \$40 dollar range FOB for fair quality. We do not expect and supply improvement for the next few weeks.

**Fennel: WATCHLIST** Supplies continue light after the recent cold weather and rain. With many shippers holding to strict averages.

**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: ESCALATED** Green onion supplies continue light but are improving. Pricing is still escalated but market is adjusting.

**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 slightly stronger. Some harvesting has been delayed due to the rain earlier in the week.

**Rapini:** Good quality, supplies are lighter.

**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. Some harvesting has been delayed due to the rain earlier in the week.

**Spring Mix:** Supplies are good with very good Quality. Some harvesting has been delayed due to the rain earlier in the week.

**Snow Peas and Sugar Snaps: ESCALATED** Snow peas and sugar snap markets are very active, with a light supply coming from Mexico. Additionally, due to cooler temperatures, Guatemala production on snow peas and sugar snaps continues to be limited.

#### **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, the cooler and unseasonably cold weather this season along with recent weather events continue to impact an already late/stressed crop. There have been several Act of God declarations made in recent weeks, 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 and Roma Tomatoes: EXTREME** Supply is slowed down this week due to ongoing rain and cooler than normal temperatures. Low yield and color challenges continue to be at 50% or less than normal.
- **Grape, and Cherry Tomatoes: EXTREME** We expect to see very short crops, escalated pricing, and potential for pro-rates continue through the middle of February.

#### **Tomatoes: Mexico**

- **Round Tomatoes: EXTREME** Supply continue to be short over the next 10-14 days at minimum. Extreme weather during the initial planting phase, coupled with cold weather have winter tomato supplies running about 30% of "Normal". We are working our partners to maintain the supply chain through these difficult times. Pro-rates are most likely and the need to sub sizes will be needed.
- **Roma Tomatoes: EXTREME** Supply continue to be short over the next 10-14 days at minimum but with improving weather we are seeing some improvement finally. Color is light, there will be a need to manage color stages at shipping and final destination until we see more volume in the supply chain.
- **Grape, and Cherry Tomatoes: EXTREME:** We expect to see very short crops, escalated pricing, and potential for pro-rates continue through January. Cold weather and rain continue to delay the crop.
- **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.