



PRODUCE REPORT

Week of 4/5/2021

Weekly Market Update

Overview

Supply is good on most items and quality is good, although there are weather-related issues such as epidermal peel, tip burn, rib discoloration and mildew. Transition is right around the corner! Florida's corn market is becoming active as we harvest in blocks that were affected by cold weather earlier in the year. We should see firmer markets in the southeast until we move to Florida and South Georgia over the next 4 weeks. Banana markets remain firm due to the Force Majeure declared by major global banana suppliers. Growers have suffered major damage to crops and infrastructure, causing a large ripple in the supply chain. We expect an escalated banana market through at least the first quarter of 2021. Limes are very short, particularly in the larger sizes, we will remain in a Force Majeure with our supplier, and we expect very active lime markets through the middle of April. Avocados are becoming extremely tight due to higher demand, and lower volume estimates coming out of Mexico as a result of yield loss. California estimates were revised down and expect a very active market until Peruvian fruit arrives late May. Freight rates are skyrocketing due to shortages on equipment and rising fuel prices. We will start to see some transition in bell pepper supply from Mexico to Coachella over the next few weeks. Strawberries, blackberries, and raspberries are EXTREME and Yuma vegetable season is coming to an end. Many shippers are transitioning to Salinas next week with more to follow in the coming weeks.

Market Alert

- Apples—**EXTREME**
- Avocados--**ESCALATED**
- Bananas—**ACT OF GOD**
- Berries—**EXTREME**
- Carrots, Jumbo - **ESCALATED**
- Garlic – **EXTREME**
- Ginger—**EXTREME**
- Limes— **ACT OF GOD**

Watchlist

- Green Bell Pepper
- Eggplant
- Watermelon
- Corn
- Mushrooms

Transportation

Freight rates are at an all-time high due to record demand for trucks and drivers as the nation emerges from the COVID 19 Pandemic. Programs such as The USDA Box Program, vaccine distribution and FEMA jumping in to provide emergency supplies to those in need have all had impacts on the market averages using all available capacity and driving costs up. Unfortunately, we do not see any relief on the horizon as our industry is set to transition from Yuma to Salinas which is expected to drive rates even higher. National fuel prices have been jumping daily since January 4th; the national average price per gallon for fuel has increase over 20% from \$2.64 per gallon to over \$3.16 per gallon with the east coast averaging \$3.13/gallon and California averaging \$3.98/gallon. Produce Alliance and its members are working to negotiate the best freight rates with the most reliable freight companies. We thank you for your partnership as we work through this extremely challenging period facing our industry.

Good Buys

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!

Green Beans- Green beans often times only considered a side dish, can sometimes steal the show! Try adding protein to your beans to make it the main course. Trim the ends of the beans, cut them in half, add them to a skillet with oil and season with salt, pepper, and garlic! Once they are done, toss them with things like cooked chicken or prepared ground turkey and drizzle a honey soy sauce mixture over the dish for a slightly sweet and salt entrée!

Weather

YUMA, AZ:

Thu 4/1	Fri 4/2	Sat 4/3	Sun 4/4	Mon 4/5	Tue 4/6	Wed 4/7
95° 60°F	97° 62°F	99° 64°F	99° 70°F	96° 65°F	85° 56°F	83° 55°F
						
Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy

IMMOKALEE, FL

Thu 4/1	Fri 4/2	Sat 4/3	Sun 4/4	Mon 4/5	Tue 4/6	Wed 4/7
83° 49°F	73° 47°F	74° 53°F	76° 52°F	81° 53°F	84° 56°F	86° 57°F
						
Scattered Thunderstorms	Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Sunny	Sunny

HERMOSILLO, MX

Thu 4/1	Fri 4/2	Sat 4/3	Sun 4/4	Mon 4/5	Tue 4/6	Wed 4/7
102° 64°F	97° 61°F	101° 65°F	106° 69°F	105° 68°F	97° 64°F	92° 59°F
						
Mostly Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy

CULIACAN, MX:

Thu 4/1	Fri 4/2	Sat 4/3	Sun 4/4	Mon 4/5	Tue 4/6	Wed 4/7
97° 62°F	99° 63°F	102° 60°F	100° 58°F	96° 57°F	93° 58°F	93° 58°F
						
Partly Cloudy	Partly Cloudy	Sunny	Sunny	Sunny	Mostly Sunny	Partly Cloudy

Fruits & Vegetables

Avocados: ESCALATED Volume will continue to tighten up, pushing FOB prices higher as we see lighter numbers crossing from Mexico due to revised volume and higher demand. We continue to observe the spring crop as we see losses due to freezing temps in the region earlier in the year. Revisions to the California avocado estimates have been down. We

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expect active markets until we see relief from Peru in late May.

Bananas: ACT OF GOD: Weather is getting better in the tropics, which should increase quality. Supply is still lower due to the hurricanes in 2020.

Pineapples: Volumes on smaller sizes are available while the larger size pineapples are still below normal volumes although they are picking back up some.

Grapes: Red grape market holds steady from last week with good supply and quality. New, good quality grapes, have a higher price attached.

Apples, Pears, Tree Fruit and Stone Fruit

Apples: EXTREME The Washington Apple community is reporting that the 2020-2021 crop is down this year by nearly 30 million cases for several reasons. At this time, we are also seeing deficits in other regions on a national level. This is due to weather related pressure, late summer and early fall in the Pacific Northwest, and unprecedented demand at retail. Please keep in mind, the USDA Food Box program, as well as other government backed programs, have reduced the overall availability on the fruit. This shortage is impacting the Granny Smith and Gala varieties, which are major food service items. Between the production shortages, which are weather related, unprecedented demand, and COVID-19 restrictions and closures, there will be a continued upward pressure on price. Please note that we are expecting pricing to remain higher until new crop begins sometime in August 2021.

Asian Pears: Asian pear supply is available. Chilean & Argentine Bartlett Pears in LA.

Stone Fruit: Supply improving on Chilean Peaches, Plums and Nectarines that will load in Philly as well as Los Angeles.

Cherries: Limited supply available on red cherries from Chile.

Kiwi Fruit: Steady supply available on both coasts. Californian and Italian Haywards are available.

Berries

Blueberries: The Mexican season will continue with stable volume into spring. Baja volumes will continue with stable and increasing production. The Florida season is starting with low volumes and will increase late March.

Blackberries: EXTREME As we are seeing with raspberries, supply on blackberries are also well below projections as we head into the first of April. Below normal temperatures have caused challenges in supply which are expected to continue through at least the first 1 to 2 weeks of April before we see increases in supply.

Raspberries: EXTREME We continue to see very light supply on raspberries due to weather related issues on product coming from Central Mexico and Oxnard. Supply is well below projected volume with lower-than-expected volume expected to continue through next week before we see supply start to increase.

Strawberries: EXTREME As we get into the first of April, we continue to see challenges in production as supply is lower than projected due to the rain and hail events over the past weeks in California. In addition, production in Mexico and Florida is trending downward faster than anticipated with many shippers starting to finish for the season.

California / Arizona Citrus

Grapefruit: California grapefruit is available in Riverside while small sizes are available in the Central Valley. This is a very early start for some California grapefruit growers. Fruit is peaking on the smaller sizes – 40/48/56s (mostly Sunkist/Fancy Grade).

Lemons: Minimal issues with quality. Peak sizes are 140/115/165ct.

Limes: ACT OF GOD/FORCE MAJEURE Limes continue to struggle as we approach April, this past week we were down 250+ loads from the normal 750-800 loads per week. Unfortunately, we are starting to see a shift in sizing, leaning heavy to smaller sized fruit (200 to 230s) and expect to see this through most of April. We are anticipating a premium on larger sized fruit (175s and larger) to continue while we expect markets on smaller sized fruit to fluctuate throughout the month of April, then turn around once again in May. The reports from Mexico are claiming this size issue is a result of two primary factors, the first being growers cutting ahead of schedule to keep markets stable through March and now will be harvesting from trees that will have less tonnage from picking ahead, and also trees suffering from damage due to the cold weather earlier in the year. With 110175ct limes expected to be extremely short, our contracts are being filled to their best ability however to ensure fill rates, we need to be flexible on sizing to maintain supply during this escalated and volatile lime market. In addition, we recommend scaling back portions and garnishments or use lemon as a substitute. We will continue to monitor this weekly and keep you informed of any changes.

Navel Oranges: Quality is great. Peaking on 72/88 for both grades.

Imports/Specialties available:

- Cara Caras – Small sizes are very tight. Good supply on larger Sunkist/fancy grade.
- Blood oranges – All sizes available.
- Minneolas – All sizes available.
- Mandarins – All sizes available.

West Coast Lettuce

Butter: Steady volume and good quality. The market is steady.

Iceberg Lettuce: Supply and quality are good. The market has been steady to lower.

Green Leaf: Fair supply, overall quality is consistent, though we are experiencing some fringe burn due to windy conditions in Yuma. We are expecting good quality in product out of Salinas.

Red Leaf: Good volume and excellent quality.

Romaine/Romaine Hearts: Good supply and quality continue, although we are seeing blister and peel in some lots due to recent cool weather in Yuma. Seeing good quality in product out of Salinas and Huron.

Eastern and Western Vegetables

Green Bell Pepper: WATCHLIST Supply tightened up this week as the transition to new blocks ramps up out of Florida. In the west, we are seeing the gradual decline in the winter crop out of Sinaloa and will begin the transition to Coachella in the next few weeks. Quality will be mixed for the next few weeks.

Red Bell Pepper: Promotable volume available out of Central Mexico. Quality is outstanding.

Yellow Pepper: Promotable volume available out of Central Mexico. Quality is outstanding.

Mini Sweet Pepper: Excellent supply and quality crossing through Nogales.

Mixed Chili Pepper: Supply remains firm in the east on Jalapeños, Long Hots, Cubanelles and Hungarians while volume and quality are outstanding from Mexico crossing through McAllen and Nogales on key items: Jalapeno, Tomatillo, Anaheim, Serrano and Poblano. Red Fresno supply remains limited.

Eggplant: WATCHLIST Below normal supply Florida as the transition to newer blocks is underway. Mexican crossings are expected to remain light through the rest of the season but do not expect any shortages. Transition to Coachella should begin in 3 to 4 weeks.

Cucumbers: Volume will begin to wind down from Honduras, loading in Miami, and local crops continue to ramp up. FOB prices were mixed this week. Mexican crossings have improved. Quality overall is outstanding.

English Cucumbers: Honduras is done for the season and Florida volume remains steady. FOB prices were mixed this week and Mexican crossings have improved. Quality overall is outstanding.

Green Beans: Volume domestically has improved. Nogales supply has improved leading to a stable market. Quality is mostly good.

French Beans: Good volume and light demand has increased downward pressure on pricing this week. Quality is excellent.

Zucchini/ Yellow Squash: Florida markets have eased back with good volume available. Good volume crossing from Mexico. Quality is outstanding on zucchini though we are seeing more scarring on the yellow.

Herbs

Basil: We are looking forward to getting into our local fields for basil in about 2-3 weeks. **Lavender** is on the short side due to last week's weather. All other herbs remain steady.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Fair	MEXICO
Opal Basil	Limited	Steady	MEXICO
Thai Basil	Steady	Steady	MEXICO
Bay Leaves	Steady	Steady	COLOMBIA
Chervil	Steady	Steady	USA
Chives	Steady	Steady	MEXICO
Cilantro	Steady	Steady	USA
Dill	Steady	Steady	USA/MEXICO
Epazote	Steady	Fair	MEXICO
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/MEXICO
Sage	Steady	Steady	USA/MEXICO
Savory	Tight	Steady	MEXICO
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	MEXICO
Thyme	Steady	N/A	USA/MEXICO
Lemon Thyme	N/A	N/A	N/A
Lavender	Steady	Steady	USA
Lime Leaves	Tight	N/A	N/A

Melons

Cantaloupe: Strong cantaloupe volume continues as we reach the peak of the Spring crop. Sizing has been primarily regular 9s and 12s. Strong retail promotions have been running mostly on the 9/9Js with some Canadian retailers now reacting on the lower price point 12s. There should be very good movement over the next 7-14 days which could assist in strengthening the market. We do anticipate a decrease in overall production for the next two weeks before one last spike in the middle of April before supply begins to taper off as the season concludes around May 21st. Cantaloupe quality, as you can see in the pictures below, have been running at optimum levels both externally and internally.

Honeydew: Honeydew production has been consistent with very manageable numbers coming in to satisfy regular contract business. Markets have been steady in the double-digit range as Mexican production remain very light. Sizing has been primarily 5/6s with a decent number of 8s coming in to ensure those orders are covered. Pictures below show the quality on recent honeydew arrivals which are providing some of the most consistently high brix levels we have seen this season.

Watermelon: **WATCHLIST** Market became tighter this week and pricing ticked up on bins and cartons. Personal watermelons are in a demand exceeds supply condition, driving consumers to buy standard seedless. Quality is good.

Mixed Vegetables

Artichokes: We expect fair volume to continue through the month of March. Prices are steady. Quality is excellent.

Arugula: Supply and quality is fair this week. We are still seeing some discoloration due to weather.

Asparagus: Peru: Low volume and good quality. Mexican volume is affecting Peruvian demand. Mexico: Good quality and high volume.

Bok Choy: Good supply and quality continue.

Broccoli / Broccoli Florets: Supply and quality is good as we transition to Salinas.

Brussels Sprouts: VA brussels sprouts will be light for the coming weeks due to lower-than-expected yields from quality as well as labor shortages for the Easter holiday week.

Carrots: **ESCALATED** We continue to see limited sizing on jumbos in California fields, therefore supply is light. Carrot sticks come from jumbos, so supply is light on sticks as well. All other items have good supply

Cauliflower: Steady supply continues, and quality is good.

Celery: Good supply and quality. The market is steady

Corn: **WATCHLIST** Corn prices remain high as Homestead finishes up for the season and as we transition to new growing regions affected by cold weather earlier in the year. We expect a firm market until we transition back to Georgia in May. In Nogales, we continue to see lighter crossings and firmer fob prices on bi-color, yellow, and white corn.

Cilantro: Volume is going to be plentiful this week. Quality is good

Fennel: Good supply will continue for the next couple weeks. Quality and sizing are nice.

Garlic: EXTREME The market for domestic garlic remains high with good quality.

Ginger: EXTREME Ginger remains very volatile also due to very inconsistent supply and market is higher. Supply to remain tight for the foreseeable future.

Green Cabbage: Supply is steady with good quality.

Green Onions: Supply and quality are good. Market is steady.

Jicama: Steady supply available crossing through McAllen.

Kale (Green): Bunched kale supply is expected to be plentiful for the next few weeks.

Mushrooms: WATCHLIST We are seeing an overall stable market, however there going to be potential shortages of button sized mushrooms as labor costs and a shortage of labor continue to impact the mushroom industry nationwide. These shortages are forcing growers to make economic decisions that produce the best yield per man hour, the smaller mushrooms tend to produce the lowest yields per man-hour.

Napa: Supply continues to be plentiful. Quality is good.

Parsley: (Curly, Italian) Great quality with good supply.

Radishes: Markets are firming up due to heavy precipitation and wind damage to fields.

Rapini: Quality is strong with good supply.

Red Cabbage: Supply is lighter. Quality remains consistent.

Snow Peas: Tight volume and good quality

Sugar Snap Peas: Tight volume and good quality

Spinach (Bunched): Supply and quality are good. We may see some discoloration due to weather.

Spinach (Baby): Supply and quality are good. We may see some discoloration due to weather.

Spring Mix: Supply and quality are good. We may see some discoloration due to weather.

Sweet Potatoes and Yams: New crop harvest starts as soon as next week for some sweet potato growers. We are looking at new crop shipments starting in about 6 weeks after they cure. Last year's crop is beginning to dwindle, and inventory is getting tight, but supply should hold to avoid a gap.

Onions

FOB pricing on all colors and sizes has leveled off in all shipping regions for the time being. Size profiles on all colors lean toward heavier to larger sizes, which will continue as the USDA Farmers to Families program finishes its current round at the end of April. While it appeared, the market was moving up on all colors and sizes in the Northwest, a combination of poor truck supply, as well as a lull in onion demand has put a halt on any movement or increases. Many growers still feel the market will experience a spike in April due to a delayed, and shortened Texas onion season. However, Northwest storage onions are at the tail end of their season, and the majority of growers cannot afford to hold out for a higher market

without risking high levels of shrink. Availability on all colors and sizes remains plentiful in Texas on Mexican onions, with Texas onions continuing to ramp up their availability as well. At this point, the market has not reacted to the freeze that took place last month and was expected to damage 30% or more of the crop. The possibility still exists that the crop damage will begin to rear itself in the coming weeks, but at that point, we will likely begin to see the Imperial Valley, California begin shipping. Truck capacity remains the biggest challenge out of all shipping regions. We are seeing the lowest available equipment that we have in the last eight years. Unfortunately, we do not see the situation improving until demand levels off, and truck supply increases back to a historically normal level.

Potatoes

The potato market continues to move upward due to increased demand for foodservice. Burbanks, Norkotahs, and White Russets continue to ship all at once. Quality remains strong on all varieties. Larger size cartons continue to tighten up throughout the state on all varieties. Demand for small potatoes remains strong due to the USDA Farmers to Families Box Program. However, since growers remain in smaller lots, the strong demand on small potatoes has not been enough to keep sheds cleaned up. Additionally, as more growers transition from Burbanks to Norkotahs, we are seeing heavier inventories of smaller sizes as burbanks do not generate the same level of large size cartons as Norkotahs. We expect this trend to continue as more Norkotah shippers migrate over to Burbanks. Demand continues to increase, and we anticipate this to continue in the coming week. Warmer temperatures will also help demand increase as we move toward spring and summer. Other russet growing regions will finish shipping in the coming weeks, so there will be less overall supply in the market and this will help increase FOB pricing. Truck capacity remains the biggest challenge. We are seeing the lowest available equipment that we have in the last eight years. Unfortunately, we do not see the situation improving until demand levels off, and truck supply increases back to a historically normal level.

Tomatoes

East Coast

- **Rounds:** Florida supply is steady this week. Quality is outstanding
- **Romas:** Florida supply is steady this week. Quality is outstanding
- **Grapes:** Florida supply continues to improve, and quality is outstanding
- **Cherries:** Florida supply continues to improve, and quality is outstanding
- **Organic Tomatoes:** Supply and quality improving.

Mexico

- **Rounds:** Promotable volume crossing through McAllen and Nogales. Quality is outstanding.
- **Romas:** Promotable volume crossing through McAllen and Nogales. Quality is outstanding
- **Grapes:** We are seeing increased numbers crossing and overall improved quality. FOB prices are down this week.
- **Cherries:** **WATCHLIST** Supply remains light this this week out of Mexico and quality is mixed.