



Week of 5/2/2022

Weekly Market Update

Overview

We are seeing more volume available on limes as well as some long-needed price relief on smaller sizes. Production seems to be slowly improving; however, the overall conditions of the market will continue to be extreme through the remainder of April, particularly on large sized fruit. We do not expect any significant volume on larger sized fruit until sometime in June. Tomato and squash markets seem to be stable and should remain that way over the next two weeks. Banana and pineapple volume continues to be steady through the ports and we are anticipating no issues through the weekend, barring any delays. We are still seeing an active markets on cucumbers and bell pepper, and this will continue for the next 10-12 days as growers start picking newer fields and increase production. Corn market is split right now with higher priced product in the west and good volume being harvested out of Belle Glade Florida, as well as the desert. Good volume on cabbage and squash out of South Georgia and we expect the first picks on peppers and cucumbers over the next two weeks.

Market Alert

- Avocados— **ESCALATED**
- Bell Pepper, Green—**ESCALATED**
- Cantaloupes —**ESCALATED**
- Carrots, Jumbo - **ESCALATED**
- Cucumbers—**ESCALATED**
- Garlic — **EXTREME**
- Ginger—**EXTREME**
- Honeydew—**ESCALATED**
- Hot Peppers—**ESCALATED**
- Limes—**EXTREME/FORCE MAJEURE**
- Mushrooms— **ESCALATED**
- Oranges (88s/Smaller)— **EXTREME**

Watch List

- Green Beans
- Snow Peas
- Sugar Snap Peas

Transportation

DAT national load to truck ratio has returned to the levels we were seeing prior to the December/January spike with March 6th reporting a 10.94 load to truck ratio. This reduction in truck demand has also brought the average cost per mile reported by DAT back down from \$3.61 in January to \$3.47 as of March 10th. The \$3.47 average is the same average as December '21. The conflict in Ukraine has brought supply uncertainty to the crude oil market. This uncertainty along with sanctions on Russia has increased crude oil prices from \$86 per barrel in January to \$124/b in the first week of March. This increase in crude oil has caused the average diesel cost to increase from a \$3.72/gal average in January to \$4.84/gal average as of March 7th.

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!

Romaine— Romaine is one of those perfect lettuce options. It is fresh, crunchy, good fork-ability, extremely versatile and although low in fiber, it's high in minerals! Plus, romaine lettuce is also packed with vitamin C, vitamin K, and folate, and is definitely a good source of beta carotene, which converts into vitamin A in the body.

Fruits & Vegetables

Avocados: ESCALATED Total volume to the US closed at 62.8 million pounds for last week, but keep in mind a portion of Mexico's harvest was a carryover from the border delays of week 15. Volume has roughly doubled from week 15 to week 16, and the market is transitioning from a major shortage to being restocked. Unfortunately, the 2-week total of 96 million pounds isn't that significant for the 2nd largest avocado promotional holiday of the year (Cinco de Mayo). Last year, the industry absorbed 40% more volume for the two weeks leading up to Cinco de Mayo. Harvest is coming in light to start the week, and with the push to get field pricing down in Mexico, harvests this week will likely come in under the 61 million pounds projected. Additionally, Cinco de Mayo's ad performance will dictate how the market plays out over the next couple of weeks. Most are expecting the market to drop, but if ads perform well and the reload demand is strong, the markets may go up and down for the next couple of weeks until we find some stability toward the month-end.

Bananas: Steady volume and good quality available. However, we are seeing firm pricing this quarter due to record high fuel prices.

Pineapples: Pineapple availability continues to be okay. The size profile is trending to size 5 and 6 cts and availability on 7 cts remains limited.

Grapes: Weather in Chile is ideal for grapes and has been for a few weeks, which is increasing the supply imported into the U.S. Red Grape pricing continues to be fairly low with plenty of supply. Green grapes remain higher as fewer supplies have been shipped.

Apples, Pears, Tree Fruit and Stone Fruit

Apples: West coast new crop apples are being packed; however small sizes remain tight. East coast apples are available as well. Market price remains firm on small fruit as local schools take most of the volume.

Pears: This year's pear crop was down significantly, with mostly larger fruit available. Growers are trying to drag out supplies as best as possible until new crop starts next August.

Berries

Blueberries: Florida production continues to be good and Georgia production has increased this week and should continue through the next 4-6 weeks. Production out of Mexico continues to be somewhat steady, but overall quality is good with nice bloom. Due to labor and hot weather, growers see some overripe and shriveled fruit out of Mexico.

Blackberries: Production out of Mexico has slightly decreased. Growers will begin transitioning between Central Mexico and USA regions next week.

Raspberries: Central Mexico and Baja continue to uptrend and reach their spring peak at the beginning of May and late May, respectively. Central Mexico will lose half of its peak volume by the beginning of June, while the other regions such as Oxnard, the North, and Santa Maria will reach their peak volume by June. Quality is good with some overripe and green fruit. Growers are experiencing both thripe (bugs) and labor pressure and are actively working to mitigate both.

Strawberries: Volume is slightly lower due to rainfall late last week. Harvest crews over the weekend cleaned up damaged fruit. Production is expected to increase and maintain steady levels over the next 3-4 weeks. Growers see good quality with nice color.

California / Arizona Citrus

Grapefruit: Ruby grapefruit now available. Size is peaking on 32s and larger fancy and all small sizes 36s and smaller are tight. Texas is expected to start very late.

Lemons: Are in full swing, quality has been good.

Limes: EXTREME/FORCE MAJEURE Volume seems to be improving on smaller sizes and we are seeing downward pressure due to the increased volume. However, the new crop limes are simply not sizing up and growers continue to cut ahead into the smaller fruit to keep the supply chain full. We hope to see this trend continue as newer groves are being harvested and overall volume improves. Unfortunately, we are expecting larger sizes will continue to be short until Mid-June; please continue to be flexible on sizes until we see improvement on volume on large sized fruit.

Oranges: EXTREME (88's/smaller) Availability on small sizes have gotten extremely tight, with market pricing in the low to mid \$20s. Some shippers have started Valencias, but market price will remain high through May. Size structure is peaking 72/88/56, mostly fancy grade.

Imports/Specialties: Blood oranges are available in good supply. Murcotts / minneolas are available in good supply as well.

West Coast Lettuce

Butter: Now shipping from Salinas, and quality is very good. Market is stronger.

Iceberg Lettuce: Transition from Yuma/Huron is complete. Quality is very good, market is steady.

Green Leaf: Now shipping from Salinas, quality is very good. Market is steady.

Red Leaf: Now shipping from Salinas, quality is very good. Market is steady.

Romaine/Romaine Hearts: Transition from Yuma to Salinas is complete, quality is very good with very good demand. Prices are steady.

Eastern and Western Vegetables

Green Bell Pepper: ESCALATED Overall markets remain firm out of Florida; however, we are seeing downward pressure on price as volume begins to improve. In Mexico, volume is light as the season winds down over the next several weeks. Coachella is slowly ramping up and quality out of the region is very nice. South Georgia should ramp up over the next several weeks.

Red Bell Pepper: Good Supply and quality available

Yellow Pepper: Good Supply and quality available

Mini Sweet Pepper: Good Supply and quality available

Mixed Chili Pepper: ESCALATED We will continue to see marginal quality and light supply out of Florida. In McAllen and Nogales, prices remain firm this week, mainly due to transition. We hope to see better volume over the next several weeks as newer regions ramp up production.

Eggplant: Good supply available out of Florida and Mexico. Georgia and Coachella are about 3 weeks from starting.

Cucumbers: ESCALATED Florida supply continues to ramp up over the next week, while in the west prices are down and volume is up as newer production becomes available. Quality is outstanding in the west.

English Cucumbers: Good quality and supply available out of Mexico

Green Beans: WATCHLIST This week, we continue to see a split market as volume out of Florida remains steady while very light volume out of the west. Mexico is done and transition to Coachella has begun. Quality is very nice out of the desert FOB prices are expected to remain elevated for the next few weeks.

French Beans: Excellent supply and quality out of Guatemala

Zucchini/ Yellow Squash: Excellent supply and quality available out of Florida and Crossing through Nogales.

Herbs

Good availability and consistent supply on all herbs, except **CHERVILL** which continues to be limited.

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

Cantaloupe: ESCALATED The cantaloupe market remains very strong as supply continues to be limited throughout the industry. Mexican production is starting to cross, and with higher retail pricing, we do believe the market has peaked and we will begin to feel the pressure. Several growers will continue to receive melons into Florida through most of May and we anticipate the Arizona deal to be a little later in starting this year compared to previous seasons. Current cantaloupe sizing is almost exclusively 9 counts and larger leaving smaller fruit (12/15 counts) in an extremely limited position. Growers are experiencing some of the best overall quality we have seen so far this season with very nice external color and solid brix levels.

Honeydew: ESCALATED High demand in the east, sizing is leaning very heavily towards the larger fruit, leaving 6/8 counts in an extremely limited position. Import fruit will remain limited. Honeydews from Mexico are beginning to cross and help relieve the pressure.

Watermelon: The offshore season is mostly done while steady production expected to continue out of Florida and quality is very nice. Good volume crossing through McAllen and Nogales on Minis and Seedless.

Mixed Vegetables

Artichokes: Quality has improved significantly, with good supply.

Arugula: Quality has improved with much better available supplies, market is steady

Asparagus: WATCHLIST The Obregon region continues with slow production. Heat in the fields has caused lower yields due to seeding. Southern Baja has also begun with production this week. Guanajuato should start the last week in May. Peruvian production continues to increase every week in the north. The south, which typically has colder weather, has less production. The market continues to be very active with the transition from Caborca to Obregon/Southern Baja. Airfreight space has become very limited due to Mother's Day.

Bok Choy: Supply is slowly picking up and quality is good.

Broccoli / Broccoli Florets: Quality is very good, with good supply. Good item to promote.

Brussels Sprouts: Quality is good with very good demand; market is slightly stronger.

Carrots: ESCALATED Current demand exceeds predicted supply while lower than average yields caused by cold wet weather has limited availability. Shippers continue to struggle with labor due to COVID and not having enough workers show daily to pack carrots.

Cauliflower: Supply has improved with very good quality. Market is lower.

Celery: Supply out of Oxnard is steady with a wide range in quality, market is slightly steady. Salinas has not started yet, but some shippers are transferring product to Salinas to load with mixers

Corn: Good volume available out of Florida this week, however, still anticipate a very bumpy ride until we transition to Georgia in May. Florida growers in the Belle Glade are seeing steady production and very nice quality. Good supply available out of Coachella and Imperial Valley as well and quality is very nice out of the desert.

Cilantro: Good supply with very good quality.

Fennel: Supplies are lighter, quality is very good. Market is steady.

Garlic: EXTREME Domestic supply is very tight, and shippers are holding to averages but we expect this volatile market to continue through next summer.

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

Green Cabbage: Steady availability continues out of Florida, South Georgia and Texas. In the west, weights are improving because of crop movement although we are seeing cone shape heads for this week.

Green Onions: Supply is good with very good quality, Market is steady

Jicama: Steady supply available crossing through McAllen.

Kale (Green): Supply is steady. Quality is very good

Mushrooms: ESCALATED Quality is good, although supply is down and markets are higher primarily due to a lack of labor, shortages in component of growing such as peat moss and other inflationary pressure. We expect to see this continue to be a challenge until some of the growing costs can get under control of this particularly labor intensive and cost sensitive item.

Napa: We are seeing decreased availability until we see supply increase out of Salinas.

Parsley: (Curly, Italian) Parsley supplies are expected to be steady this week.

Rapini: Excellent supply this week and next.

Red Cabbage: Supply is good as quality remains consistent with sizing and overall appearance.

Snow Peas / Sugar Snap Peas: WATCHLIST Good quality and supply of snow peas from Guatemala, but sugar snaps continue to be short due to quality after the holiday. Overall quality out of Mexico continues to be fair to good; prices are gradually increasing as fields are winding down.

Spinach (Bunched and Baby): Supply and quality are good.

Spring Mix: Supply and quality are good.

Sweet Potatoes and Yams: Demand continues to be stable across all sizes and varieties. There are deals to be had on both #1's and Jumbos out of North Carolina. FOB's out of Mississippi are a bit higher but quality out of that region has been outstanding. We should see prices gradually start to rise throughout the summer months and into the new crop.

Onions

Product continues to be tight out of South Texas. With Mexico entirely out of the picture, and the Texas crop down to their last few weeks, availability has been very hit and miss on reds and whites. Yellows continue to peak around Jumbo size, with mediums tightening up significantly as well. The Northwest is essentially finished up outside of maybe one or two growers in Washington primarily covering contracts. While we had anticipated a big influx of volume from The Imperial Valley this week, this has not come to fruition yet. Production has been much slower going than anticipated. Labor remains a tremendous challenge in terms of getting product harvested, as well as production at the shed level. We still do anticipate volume and production to ramp up in the coming week or two. Red and white volumes have been slow to start out of this region but should also ramp up next week as well. While the early reports are that California has a plentiful crop

of yellows and reds, it is believed there is a high presence of 'seeder' onions in this crop. If this is correct, and growers can grade these out, we could see their supply on #1 product be much lower than expected. However, if a lot of these 'seeder' onions make their way into bags for the fresh market, it could have an adverse impact on pricing overall. Typically, the Imperial Valley starts around May 1st, so we are certainly seeing them with a much earlier shipping period than normal. This should help to extend their crop and stretch it out a bit more, so the market does not get flooded and push pricing down below growing costs. The next major shipping region to come online will be New Mexico in about 3-4 weeks' time. Hopefully Southern California can get production ramped up in time to help alleviate overlapping supplies as much as possible. Trucks have remained plentiful, and rates continue to reflect healthy capacity, with some reduced demand. However, we do expect the rates will take an increase as trucks begin moving to California for the Salinas transition.

Potatoes

The potato market has stabilized on all sizes now. While size profiles had been mixed throughout the state, we are seeing #1 count cartons continuing to tighten up all over. The tightest range of size appears to be on 60/70/80 count potatoes. We are beginning to see the market begin to move up again because of this. Pricing had been relatively flat for the last several weeks, but this is beginning to change relatively quickly. Historically, the market pricing is typically heavier to a specific profile, and we see pricing reflective of this. This season, we are generally not seeing pricing reduced on any specific size count cartons or #2s. This is a testament to just how short the crop is, and how spread-out demand is across the spectrum of grades and sizes in Idaho. Growers are beginning to get into their last remaining Norkotah cellars and should finish them up over the course of the next month or two. Growers do see a decrease in production when switching from Norkotahs to Burbanks, as the Burbanks do not pack out with the same level of production than Norkotahs do. The concern this year is that the drop off will be significant as the Burbanks were believed to have taken the brunt of the heat wave this past summer. If that does take place, we will see a fast upturn in market pricing across all sizes and grades of potatoes. Processor demand remains heightened and continues to put pressure on the fresh crop as they are offering record prices for bulk product. Growers in all regions are preparing for a very strong April, where product is expected to significantly tighten up and remain snug until new crop in August. Additionally, freight has returned a much more 'normal' state for this time of year. We are seeing rates that we have not seen since early 2020, before the Pandemic. Despite hefty fuel increases, this has not materialized yet in higher rates. Rates are expected to increase in April as we move toward Summer.

Tomatoes

East Coast

- **Round/Roma Tomatoes:** Good supply available out of Immokalee as well as the Ruskin/Palmetto areas. Quality is outstanding
- **Grape/Cherry Tomatoes:** Excellent volume and quality available
- **Organic Tomatoes:** Supply will be limited this week.

Mexico

- **Round and Roma Tomatoes:** Lighter volume with a wide range of quality available as Winter Production winds down and transition to Spring crops begin out of Baja, Sonora, and Jalisco. We should see volume gradually improve this week.
- **Grape Tomatoes:** Strong numbers continue out of all regions and quality is outstanding.
- **Medley Grape Tomatoes:** Strong numbers continue out of all regions and quality is outstanding.
- **Cherry Tomatoes:** Strong numbers continue out of all regions and quality is outstanding.