

# ATLANTIC

## FOOD DISTRIBUTORS

**Weekly Market Review  
March 13, 2023**

### Overview

In South Florida and Mexico, we continue to see steady supply on slicer cucumber, green squash, and tomatoes. Volume on pepper is down, but quality is outstanding! The corn market continues to be short, and we are hoping to see improvements over the next 3 weeks. The hot pepper market seems to be staying firm as cold temperatures and weather damage are causing shortfalls this season, with Serrano and Anaheim the highest priced and shortest available. Honeydew and cantaloupe have become quite a challenge due to cooler weather and will most likely not improve until mid-late March. Weather in the desert has turned from the cold weather they have been having too much warmer days and nights. Central and Southern Calif have another round of rain coming with 3" to 5" inches (possibly more in some areas) in the forecast through the weekend and into next week.

### Market Alert

- Asparagus – **ESCALATED**
- Bok Choy - **ESCALATED**
- Cabbage (Red & Green) – **ESCALATED**
- Carrots (Jumbo) – **ESCALATED**
- Cauliflower – **ESCALATED**
- Celery – **ESCALATED**
- Cilantro - **ESCALATED**
- Corn – **ESCALATED**
- Garlic – **ESCALATED**
- Ginger – **EXTREME**
- Green Onions - **ESCALATED**
- Hot Pepper - **ESCALATED**
- Serrano and Anaheim Pepper – **EXTREME**
- Limes - **ESCALATED**
- Melons (Cantaloupe, Honeydew, & Watermelon) -**ESCALATED**
- Mushrooms – **ESCALATED**
- Parsley (Curley & Italian) - **ESCALATED**
- Potatoes (40s & 50s) – **ESCALATED**

### Watch List

- Bananas • Green Bell Pepper

## Transportation

Although diesel rates are near record highs truckload rates continue to decline as consumer spending on durable goods declines reducing demand in the truckload market.

## Fruits & Vegetables

**Avocados:** Last week, the U.S. closed at 64.8M lbs., an 18% increase over the previous week. Harvest is tracking strong this week and expected to have another week north of 60M lbs. Keep in mind Holy Week, Easter, and Cinco are around the corner. This stronger market is expected to hold for the next several weeks, as harvest must gear up for Weeks 12 & 13 to get us through the reduced volumes of Holy Week. There is a lot of fruit on the trees in Mexico, as current crop is only 60% through projected harvest and fruit has been left on the trees and will need to come off this spring. Rain out of CA has delayed harvest, and growers are starting this week and next week to capture the slightly higher markets. More rain is forecast over the next week and volume is expected to increase in April.

**Bananas:** **WATCHLIST** Volume remains lighter than normal this month mainly due to seasonal dips in yield combined with higher global demand. No quality issues, but we are seeing smaller fruit, discolor and very light inventory entering the ports. Please make sure to stay ahead of inventory during this next several weeks.

**Pineapples:** Excellent quality and supply available.

**Table Grapes:** Excellent supply and quality available.

## Berries

**Strawberries:** Minimal volume continues out of California due to weather conditions in the growing regions. Due to these issues, supply is expected to remain minimal for the next three weeks. Florida volumes remain high due to favorable weather conditions. Mexico's volume remains somewhat strong. However, sizing has decreased due to warmer temperatures.

**Blackberries:** Supplies are expected to remain at the current levels through the rest of the month. Supplies should begin to increase in early March. California's growing regions will see minimal volumes for the next two months.

**Raspberries:** Mexico volumes will continue to increase steadily until early May. We should see larger increases in March. Overall fruit quality and size is very good. Mexico will continue to be the main supplier for the next few months.

**Blueberries:** Central Mexico will continue with strong production as they are in peak season. Peru volumes will continue for another few weeks. Baja volumes will continue to increase as their season uptrends. Chile is finished for the season.

## California Citrus

**Oranges Navels** are showing very good quality, with size structure peak 88/113/72. Larger sizes are becoming more available. Good buys remain on 138s/163s.

**Lemons:** Good supply and very good quality.

**Limes:** **ESCALATED** Overall quality continues to improve, including higher pack-out yields on U.S. #1-grade fruit. Forecast is for market to be tight throughout March and potentially into the first few weeks of April. Pricing is subject to change on a day-to-day and/or hourly basis without prior notice pending availability. Large fruit will be scarce, with insufficient supply on 110's & 150's. Consider altering your spec to complement crop trends and ensure supply.

**Grapefruit:** Good supply and very good quality out of Texas and California.

Imports/Specialties: The California mandarin season has started with good availability and outstanding quality. Bloods and Caras are available, and Minneolas have started in southern California.

## West Coast Lettuce

**Iceberg:** Supplies are steady at current levels with change expected in the next few weeks. The ability to hold and maneuver fields will be challenging with the change in weather. Quality continues to be very

good and the market has been stable, and the forecast is for prices to remain the steady.

**Romaine/Romaine Hearts:** Market is steady and quality is good although we continue to see light blister and peel from the cold weather these last few weeks. Supplies and weight will continue to improve this week.

**Green Leaf & Red Leaf:** Production in the desert region remains steady and overall quality is looking good with slight signs of wind/fringe burn. Markets are steady and demand is fair.

**Butter:** Good supplies with overall good quality and market is steady.

### Eastern and Western Vegetables

**Green Bell Pepper:** **WATCHLIST** Supply out of Florida remains tight this week with a lot of choice pepper available. Nogales and McAllen continue to have the stronghold on volume despite crossings being at all-time lows. Demand is good particularly from the east as Florida production dips. Quality is hit and miss. We hope to see some improvement over the next 10-14 days as growers break newer blocks.

**Red Bell Pepper:** Supply expected to slowly improve by the end of the month out of McAllen and Nogales and quality is good.

**Yellow Bell Pepper:** Supply expected to slowly improve by the end of the month out of McAllen and Nogales and quality is good.

**Mini Sweet Pepper:** Hit and miss supply, and quality available loading in Nogales.

**Mixed Chili Pepper:** **ESCALATED** In the east, supply was lighter this week out of South Florida (Cubanelle, Long Hots, Poblano, Hungarian Wax, Jalapeno and Shishito). In McAllen, volume is lighter on all varieties: habanero, jalapeno and poblano are all holding at higher-than-normal pricing while the shortest availability is on Serrano and Anaheim due to ongoing supply issues from Coahuila and Chihuahua. Markets will remain firm, but we are starting to see some improvement in crossings out of Nogales. Good supply on tomatillos in all growing regions.

**Eggplant:** Good quality and supply in South Florida and crossing through Nogales.

**Slicer Cucumbers:** Stable supply out of Florida while supply out of Honduras is fair. In the west, good supply and excellent quality available crossing through Texas and Nogales.

**English Cucumbers:** Good supply available with excellent quality.

**Pickles:** Steady volume available this week and quality will be mixed out of Mexico.

**Green Beans:** Excellent supply available loading in Florida and Nogales.

**French Beans:** Production is back to normal and overall quality continues to improve.

**Zucchini/Yellow Squash:** Excellent supply and quality available in Nogales and Florida with deals being made on Italian. Yellow remains snug in Mexico as well as Florida due to cooler weather and scaring.

### Herbs

Domestic herb supplies remain lower due to rainfall and cooler temperatures, especially chervil, thyme and tarragon. Additionally, winter storms have affected air freight. Weather continues to impact herbs from Colombia. Labor issues continue to improve in Mexico.

### Melons

Supply slowly improving at all ports and should remain snug through Mid-March until we get caught up. Poor weather patterns in late December-early January negatively affected yields impacting current arrivals. Demand still outpaces supply with no slowdown expected in the short-term.

**Cantaloupe:** **ESCALATED** Cantaloupe arrivals are slowly improving however sizing is heavy on 12's . Overall quality remains strong, but we are seeing a greener cast than normal. Internal brix levels of 11-14%.

**Honeydew:** **ESCALATED** Supply expected to slowly improve over the next 10-14 days. Our shippers are restricting volume to cover contract only to get us through this period there is not enough supply to cover everyone but once we see the pipeline fill this will subside. Sizing will peak on 5/6's and advanced ordering is necessary and flexibility on sizes. Internal brix levels are 12-14%

**Watermelon:** Overall quality is very nice, still seeing firm pricing and moderate demand. Nogales and McAllen are the primary shipping points. We are still seeing offshore watermelons available at the ports, stable supply on minis, carton seedless and bins.

### **Mixed Vegetables**

**Artichokes:** We are seeing a slight increase in supplies, but overall supplies remain light. Market remains very active, and most artichokes are frosted due to cold weather.

**Arugula:** Very quality, supplies are slightly lighter due to cold weather.

**Asparagus:** **ESCALATED** Weather has started to warm up in Caborca/San Luis, Mexico and production has improved. Peru continues with air shipments this week and markets have become less active with the increase in production from Mexico.

**Bok Choy:** **ESCALATED** Market is extremely active with very light supplies.

**Broccoli/Broccoli:** Overall supplies remain steady; quality is very good.

**Brussels Sprouts:** Volume remains strong from both Northern and MX production locations. Quality is excellent and both VA and bulk categories.

**Carrots: (JUMBOS) ESCALATED.** Overall supplies are improving, although shippers continue to struggle with supply on Jumbos as sizing remains small in California.

**Cauliflower:** **ESCALATED** Supply is expected to continue be light for at least another week.

**Celery:** **ESCALATED** Available supply has decreased on Celery due to lighter yields from disease pressure, market continues to be very active. Oxnard is expecting to receive a considerable amount of rain over the next week which will also contribute to lighter supplies.

**Cilantro:** **ESCALATED** Quality is very good, supplies remain light.

**Corn:** **ESCALATED** Markets remain firm out of Nogales and South Florida; quality is fair as we are now harvesting in younger fields that were affected by freeze earlier in the year. We expect to see some improvements on volume as shippers will begin to transition to newer blocks late-March.

**Fennel:** Quality is very good, but supplies are extremely light due to the cold weather the last few weeks. Look for supplies to continue light through at least next week.

**Garlic:** **EXTREME** Quality is good with moderate supplies.

**Ginger:** **EXTREME** Chinese supply will be very sporadic due to delays in unloading containers and inspecting at the ports. Pricing will be climbing daily.

**Green Cabbage:** **ESCALATED** Quality remains good although we continue to see light supplies, market is very active

**Green Onions:** **ESCALATED** Quality remains good although supplies are available supplies are decreasing due to the cool weather the last few weeks. Market is very active.

**Kale (Green):** Supply is steady, quality is good.

**Mushrooms:** **ESCALATED** Quality is good despite supply being lighter than expected. We continue to see lack of labor, shortages in component of growing such as peat moss and other inflationary pressures. 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 Cabbage:** Quality continues to improve with good supplies, market is steady

**Parsley (Curly, Italian):** **ESCALATED** Quality is very good, although supply continues to be very light due to cooler weather. Market is very active.

**Rapini:** We continue to see light supplies from the cooler weather, quality is good.

**Red Cabbage:** **ESCALATED** Supplies are improving but market remains very active, pricing is steady. Quality is good.

**Snow Peas and Sugar Snaps:** Production on Snow peas continues to be excellent. Sugar Snap production has slowed down due to market conditions. Expect higher pricing over the next few weeks.

**Spinach (Bunched & Baby):** Quality and supplies are very good.

**Spring Mix:** Quality and supplies are very good.

**Sweet Potatoes and Yams:** New crop is in full swing out of both North Carolina and Mississippi and quality is looking very nice. Supply is very good.

### **Onions:**

Onion demand continues to remain flat. The market does not appear to be moving anywhere fast any time soon during Q1. If there is going to be a spike in the market, we are going to need to see demand patterns change, which is certainly possible during Q1. We will likely start to see Mexican onions crossing in January, and then Yellows about a month after in mid to late February. Idaho/Oregon maintain that their current pace of shipping, they will be done by the middle of March. This is like last season's crop end date. The underlying factors remain in place for a very strong finish – but it will all depend on demand levels. The low yields, and short storage supplies on hand (supported by the NOA report) are good indicators of this. Washington remains in better shape than Idaho from a supply standpoint. Size profiles have been on the smaller end in both regions, with most product sizing in the medium and jumbo range. We have seen some improved availability on colossal and super colossal sized onions in recent weeks, but this may get tougher in Q1 as the later storage varieties generally do not size as big. Growers are expressing further concern regarding continually rising overhead costs as it relates to next season's crop (fuel, seed, packaging, etc.). Their suppliers are all asking for hefty increases for next season above the already inflated overhead in this year's crop. It is not impossible that we see further consolidation among growers and shippers, or just less onion acreage being grown altogether out of the Northwest.

### **Potatoes: ESCALATED**

Potato demand on cartons has significantly flattened during this past quarter. Q1 generally brings an increase to the market as begin to near the tail end of Norkotah supplies in March. Growers continue to receive record offers from processors (even higher than last season), and reports of further record breaking offers for the Spring continue to roll in. Because of this, the fresh market has a 'safety net' of where pricing will likely not fall beneath. We anticipate we will continue to see this trend to get growers to release product on the fresh side. Other growing regions are echoing the same sentiments as well. We will see Nebraska finish up, and less supply out of Colorado and Wisconsin toward the end of Q1. These should give the overall market a boost as well. National supply reports are showing that there are less potatoes this year than last year – and this is not considering the 6M lbs. plus that have already been sold to processors.

## **TOMATOES**

### **East Coast**

- **Round Tomatoes:** Steady harvest this week on all sizes, markets are down due to heavy inbounds from Mexico. Quality is good on all sizes.
- **Roma Tomatoes:** Steady supply continues, and quality remains good.
- **Grape and Cherry Tomatoes:** Good quality available this week.

### **Mexico**

- **Round Tomatoes:** Excellent supply on all sizes. Excellent quality available this week crossing through Texas and McAllen.
- **Roma Tomatoes:** Excellent supply, on all sizes. Excellent quality available this week crossing through Texas and McAllen.
- **Grape Tomatoes and Cherry Tomatoes:** Strong numbers and excellent quality continue out of Mexico.
- **Medley Grape Tomatoes:** Strong numbers and excellent quality continue out of Mexico.
- **Tomato on the Vine:** Excellent quality and supply available.

## **APPLES, PEARS, STONE FRUIT**

**Apples:** Washington State Apple Crop looks to be around 100M boxes vs. 122M the last two years and

132M 3 years ago. With the number of Trees in the ground – this number is shocking. The last crop we saw 100M boxes was in 2007. Mid-April 2022 – Eastern Washington experienced 20-degree temperatures with apple trees in bloom which caused a significant loss in the crop. Additionally, cooler temperatures in the Spring with extreme Summer Temps also played a negative role in the supply of apples combined with two devastating hailstorms causing some blocks of Orchards not to be harvested. Furthermore, Fujis and granny smiths are known for alternate-bearing crops. Last year were heavy crops, so this year both are down significantly.

**Pears:** This year's pear crop will likely be down significantly due to severe high temps last July and extremely low temps in mid-April 2022. Cooler temperatures in the Spring with extreme Summer Temps also played a negative role in the supply of pears combined with two devastating hailstorms causing some blocks of Orchards not to be harvested.