



Weekly Market Review April 29, 2024

Overview

We will continue to experience shortfalls on several winter veg items out of Mexico and Florida due to the impacts of the La Nina/ El Niño weather pattern. The shortest item this week is hot peppers with jalapenos, tomatillos, shishitos and serranos all being the most volatile. We have even had some shippers declare an Act of God on hot peppers and tomatoes this week. Markets will continue to be at record highs for this time of year across the entire category; drought, a wider transition gap between winter and spring production and poor weather throughout the winter continue to disrupt typically calm seasonal crops. We will see the dip in tomato production continue across the entire tomato category with rounds being the lightest this week. Some growers are already seeing losses in the newer plantings due to pollination issues and lack of yield resulting from late rains and cooler than normal seasonal average temps. We are hoping to see some improvement in the markets 3-4 weeks from now. In Mexico, the government is scheduled to shut water off to the Sinaloa agriculture community this month making the possibilities of shortages a reality. Overall, the current supply remains at record lows and until we see some consistency in weather, this will only continue to hamper a recovery. Table grapes remain short but are seeing some additional supply on the market; next month we expect to see much more improvement as Mexico starts to harvest more fruit. The avocado inventory in the US is significant and Cinco pulls are commencing. Due to recent market volatility, strong Cinco promotions are not as guaranteed as during the Super Bowl. Arguments can be made for both a stronger and weaker market emerging from Cinco. Most importers are striving to maintain lean inventories to stay flexible enough to adapt to market changes. Conversely, the high dry matter content also compels the industry to keep the fruit as fresh as possible to prevent a decrease in PSI. Further week-over-week market adjustments are anticipated in the coming weeks. Smaller sizes are projected to dominate the size curve from Mexico & Peru throughout the summer. Market price points are expected to stay elevated through spring as the three main countries of origin (Mexico, California & Peru) have smaller crops compared to last year. In California, the transition is complete! All wet veg items will be shipping from the Salinas Valley as supplies continue to increase and quality continues to improve.

Market Alert

- **Asparagus – ESCALATED**
- **Avocados – ESCALATED**
- **Basil – ESCALATED**
- **Bok Choy – ESCALATED**
- **Cabbage, Red – ESCALATED**
- **Carrots – ESCALATED**
- **Cauliflower – ESCALATED**
- **Celery – ESCALATED**

- **Table Grapes – EXTREME**
- **Hot Peppers (All Varieties) – EXTREME**
- **Limes – ESCALATED**
- **Lettuce, (Iceberg Liner, Romaine, Romaine Hearts, VA Iceberg, VA Romaine, VA Iceberg/Romaine Blends) – ESCALATED**
- **Napa – ESCALATED**
- **Onions – ESCALATED**
- **Onions, Green – ESCALATED**
- **Oranges – EXTREME ON SMALL SIZES**
- **Potatoes – ESCALATED**
- **Snow & Sugar Snap Peas – ESCALATED**
- **Tomatoes – ESCALATED**

Watch List

- **Artichokes**
- **French Beans**
- **Ginger**
- **Lemons, on small sizes**
- **Lettuce, Green Leaf, Red Leaf and Boston/Butter Lettuce, Better Burger**

Fruits & Vegetables

Avocados: ESCALATED Last week's harvest closed at 68.5M pounds, up 9% from the previous week. Projections for this week call for 58M pounds, and current harvest levels support that figure. Markets have moved up considerably on larger-sized fruit. The size curve continues to shift to smaller-sized fruit. The normal crop continues to mature, with dry matter averaging 35%, ripe cycles are shorter, and fruit is at a peak eating experience.

Bananas: Steady supply and quality remain good.

Pineapples: Steady supply and quality remain good.

Table Grapes: EXTREME Grape availability is slowly improving but we do expect elevated pricing through the first part of next month. We are starting to see a bit more availability from Mexico on both coasts which is putting downward pressure on the market. We hope to see this trend continue over the next 3 weeks. Quality is fair and we are still asking for subs to black grapes since they seem to have the best quality and legs over the red and greens.

Berries

Strawberries: There is a positive outlook for the upcoming increase in strawberry production as we anticipate the adverse weather conditions to subside next week. The strawberry plants are thriving and strong and we expect a substantial yield in the following weeks. While there may be a need for some cleanup due to rain damage, we remain optimistic about the significant boost in production for Santa Maria and Watsonville. Although we have noticed some fruit with minor imperfections such as misshapen button nose tips, green shoulders, and pinrot in the fields, harvest crews are effectively maintaining cleanliness during the packing process.

Blackberries: Blackberry production continues to be relatively steady and newer varieties are yielding good numbers, keeping supply steady. Quality is good, with sizing between the medium to large range, a nice sheen, mostly black, and good firmness. Due to high temperatures in the regions, we will see some regression in some ranches and softer fruit as the days get hotter. Moving into the next few months, supplies are anticipated to remain lower.

Raspberries: Supply remains noticeably light, and the market is undersupplied. The weather has been consistently warm and sunny across all areas, occasionally accompanied by strong winds. Daytime temperatures have been in the mid-90s, while nights have been in the low 60s. The forecast for next week indicates that the heat will persist. The fruit appears to be in good condition, displaying a vibrant red color with some lighter shades in the mix due to early picking before the hot

weather. The sizes are predominantly medium. Although there are occasional instances of overripe or damaged fruit in the packs, harvest teams are working diligently to ensure they are removed. Volumes will likely struggle over May and June until volumes pick up in northern California.

Blueberries: Northern Florida's acreage continues to progress with good volumes, suggesting a favorable trend that is projected to persist over the next 7-10 days. Interestingly, Georgia's crop output delivered remarkable figures at the start of the previous weekend, and this week saw a significant rise in yield, surpassing initial projections. As we near the end of April and transition into May, we expect a generous harvest of top-notch crops. The medium to large berries showcase outstanding quality, size, and taste. Nevertheless, it is important to mention that certain packages may display attached stems, blush, and sporadic scarring.

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 Navel season and into the Valencia season. Volume on Valencia's is continuing to increase with sizing trending large as well. **FLEXIBILITY ON SIZING AND LOADING AREAS WILL BE MANDATORY IN ORDER TO GET ORDERS FILLED!**

Lemons: WATCHLIST We continue to see a significant size shift on lemons in California. Small fruit continues to get exceptionally short with reports that 70-80% of the crop is running 95's/115's/140's with no relief in sight until imports start next month. **FLEXIBILITY ON SIZING AND LOADING AREAS WILL BE MANDATORY IN ORDER TO GET ORDERS FILLED!**

Limes: ESCALATED Overall demand is improving and the market is strengthening as we approach Cinco de Mayo and pricing will remain firm. We continue to see increased crossings on small sizes; large sizes will become more limited in supply. Due to lack of rain, scarcity of large fruit could be extended, and pricing may even climb. 110's & 150's are in extremely short supply to almost non-existent market wide. **FLEXIBILITY ON LARGE SIZES WILL BE MANDATORY IN ORDER TO GET ORDERS FILLED!**

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

Imports/Specialties: Domestic mandarins Pummelo's and Blood Oranges are available in the central valley of California.

West Coast Lettuce

Iceberg: ESCALATED Lettuce supplies are still slightly below normal as the fields are growing slowly due to cooler weather, with head size and weights lighter than normal. Overall quality is good, but solidity is slightly softer due to the slow growth. The market is steady at its current levels.

Romaine, & Romaine Hearts: ESCALATED Romaine and Romaine Hearts are steady and overall quality is good to fair. Current markets for Romaine and Romaine Hearts are very active with strong demand and look to remain strong for approximately the next three weeks. Some growing areas in the Salinas Valley are experiencing some pressure from Anthracnose from the rains during the growing cycle, which is affecting quality from some shippers.

Green Leaf, Red Leaf & Butter: WATCHLIST Production in Salinas Valley is steady. Overall, the quality is good. Current markets are steady with good demand.

Eastern and Western Vegetables

Green Bell Pepper: Better supply this week across all sizes and Quality is good. The desert is expected to start in May with South Georgia scratching late April.

Color Bell Pepper: Excellent supply and good Quality available in all sizes.

Mini Sweet Pepper: Supply will be hit and miss this week loading in Nogales.

Mixed Chili Pepper: EXTREME Record low supplies and higher demand are pushing prices higher across the entire category. Overall, the Quality is fair, but we expect to see a large imbalance in supply over the next 4-6 weeks. Once some of the newer growing areas begin production, we hope to see some relief, however in the meantime we will continue to see the potential for shorts and extreme escalation in pricing. In Mexico, the main growing regions in Sinaloa are ending and Cadereyta is not starting until the end of this month. Typically, the Sinaloa season goes on for a few more weeks and we don't see this supply GAP; however, due to weather related issues the GAP is bigger this season. In the east we are seeing the same thing, typically a lot of pepper is available out of Florida this year to offset the transition crops in Mexico, between less acreage being planted and weather we have a lighter supply available for market. We will not see improvement in the east until South Georgia starts Mid-May. Until then markets are going to continue to be firm and see pricing above the \$80 watermark on the shortest varieties- Jalapeno and Serrano.

Eggplant: Good supply and Quality available crossing through McAllen and Nogales. New crop will be available in South Georgia in approximately 4 weeks.

Slicer Cucumbers: Steady supply available out of McAllen, Nogales, and Florida. South Georgia is projected to scratch on new crop at the end of April.

English Cucumbers: Promotable volume crossing from Mexico; markets were firmer this week due to lighter supply of slicer cucumber. Quality is good.

Pickles: Lighter supply available out of Nogales and Quality is good.

Green Beans: Steady supply and good Quality available out of Florida and Mexico this week.

French Beans: WATCHLIST Production remains relatively low due to the heat in Guatemala. Steady supply and improved quality of French beans out of Mexico.

Zucchini/Yellow Squash: Shipping out of Florida, McAllen, and Nogales. Good supply and Quality available in general. Best Quality continues to be on zucchini while yellow squash, with its tender skin far more vulnerable to imperfections, seems to remain very light in supply. South Georgia is about 2 weeks from scratching.

Herbs

Basil quality continues to improve each week. We are still seeing some quality issues with **dill**.

Melons

Cantaloupe: Steady volume on offshore fruit, peaking on 9/9Js with a limited number of 12/15s coming in, but enough to cover all contracted needs. The quality of the cantaloupe remains at optimum levels with excellent color and some of the best eating fruit we have witnessed all season. Brix levels remain consistently in the 13-16% range. Carton weights are also increasing as seed cavities get smaller and brix levels go up. There is also local cantaloupe available out of Florida this week.

Honeydew: Offshore honeydews are currently peaking on larger fruit also with 4J/5s/5Js being the predominant sizing. Classic Fruit's Guatemalan production has been clean externally while providing some of the best eating dewes we have seen all season. Mexican crossings have started to increase but they are peaking on smaller sizes (6/8s).

Watermelon: Good supply available as new crop is being harvested out of North and Central Florida as well as Mexico. Overall, the quality is good.

Mixed Vegetables

Artichokes: WATCHLIST We continue to see a limited supply of artichokes. 18ct – small loose artichokes are very tight as Oxnard is done and Salinas has started in a light way with low volume, only producing large sizes (12ct.) Expect smaller sizes to be very tight for the next several weeks.

Arugula: Supplies are good, Quality is fair due to some of the cool, rainy conditions that the Salinas Valley experienced over the winter.

Asparagus: ESCALATED Asparagus production has dropped due to seasonality from Caborca & San Luis, Mexico. Obregon, Mexico has started with low production. Peru continues to increase production. Markets remain the same. White asparagus continues to be very limited to non-existent from Peru.

Bok Choy: ESCALATED Supplies are light due to the rain and cold weather during the growing period leading up to transition. The market is active.

Broccoli/Broccoli Crowns: Salinas broccoli volumes have improved, and the market has adjusted down. Supplies look steady going into next week with very good quality.

Broccolini and Sweet Baby Broccoli: Salinas is showing good quality with increasing volumes.

Brussels Sprouts: Overall supplies and quality remain good as Mexico and the Oxnard growing regions are in full production. Supplies are heavy to Mediums with Jumbos and Smalls in short supply.

Carrots: (JUMBOS, MEDIUMS and CELLOS): ESCALATED Steady supplies continue with good Quality. Shippers still have light volume on Jumbos out of California.

Cauliflower: ESCALATED We have seen a significant decrease in supplies due to planting delays from previous cool wet weather during planting season, Quality remains good.

Celery: ESCALATED The market continues to trend higher as supplies are anticipated to decrease over the next few weeks.

Cilantro: Cilantro supplies, and Quality continue to improve.

Corn: Good supply available out of Florida and Mexico this week and Coachella is starting this week. Quality is good out of the southeast and South Georgia projected to start the 2nd week of May.

Fennel: Market is steady. Quality and supplies are 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: ESCALATED We continue to see better supplies out of Mexico, although the market remains at higher-than-normal levels. Quality is improving.

Mushrooms: Stable supply and good Quality available.

Napa Cabbage: ESCALATED We continue to see some quality issues with many shippers reporting some seeder issues to start the season. We should see an improvement in Quality through the rest of the month and into May.

Parsley (Curly, Italian): Supplies and Quality are good, market is steady.

Rapini: Quality is good, supplies continue light. The market is strong with supplies continuing light through next week.

Red Cabbage: ESCALATED Quality is good although supplies continue lighter. The market is steady.

Spinach (Bunched & Baby): Supplies are good, Quality is fair due to some of the cool, rainy conditions that the Salinas Valley experienced over the winter.

Spring Mix: Supplies are good, Quality is fair due to some of the cool, rainy conditions that the Salinas Valley experienced over the winter.

Snow Peas and Sugar Snaps: ESCALATED Guatemala's snow peas and sugar snap production has dropped due to the heat and lack of rain. Markets are very active for outside of the east. There is a steady supply of snow, and sugar snaps will be limited for the next few weeks due to field transitions.

Onions: ESCALATED

The onion market remains strong, but for a third consecutive week, it did not increase. White onions remain nonexistent in Idaho/Oregon, and extremely tight in Washington. We did begin to see a few more Mexican whites, and even a handful of yellows begin to cross in a small way this week. This would line up with the reports that Mexico has quit purchasing the domestic supply out of the Pacific Northwest as well. We are anticipating that in the next 1-2 weeks, Mexico will start bringing across a large enough crop to help ease the supply concerns in the Pacific Northwest. We should see Texas onions start about the first or second week in March as well. For the first time in a long while, there is some relief around the corner. Growers in the Northwest continue to experience a decrease in packouts with each passing week that the onions sit in storage. While this is often a recipe for the market to increase, we are seeing more growers want to run higher volumes of product at the current FOB levels, and not risk further shrinking and claims as we get later into the season. If there are no weather events or unexpected supply interruptions, we feel there is a good chance that we have hit the ceiling on the current market for the time being. This can change very quickly should a weather event occur down in Texas/Mexico. California has experienced quite a bit of rain, and summer onion growers are becoming bullish that this may an effect on yields this Summer. However, it is still too early to tell how supply and FOBs will behave from May and beyond.

Potatoes:

The market continues to feel stable for all sizes and grades for the moment, except for 40ct potatoes. While potatoes should remain plentiful, we do anticipate 40ct potatoes will continue to command a premium often 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 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. We will see Norkotahs wind down around the middle of Q2 and will be left exclusively with Burbanks (around the end of April). This will continue until new crops of Norkotahs begin shipping fresh from the field in August. In general, there are no major headwinds expected in the potato market during Q2.

Tomatoes: East Coast

- **Round Tomatoes: ESCALATED** Markets remain escalated and very short. There is a ton of pressure on the market until growers can start packing the spring regions sometime later next week. Quality will be hit and miss over the next week.
- **Roma Tomatoes:** Markets remain unstable with good volume available this week. Quality is much better this week.
- **Grape Tomatoes:** Good supply and Quality available
- **Cherry Tomatoes: ESCALATED** We expect to see very short crops, escalated pricing, and potential for pro-rates continue through March.

Tomatoes: Mexico

- **Round Tomatoes: ESCALATED** With the ongoing issues with the Winter Mexican tomato season, we are now in the Spring decline out of Sinaloa; combine this with a very slow start to the Sonoran season, and we are seeing high markets and short supply once again. The Mexican Government is slated to start reducing water allocations in Sinaloa which will force some farmers to cease operations prematurely. We will see some supply gaps until Sonora can effectively start harvesting fruit. Currently, they are behind and already projecting below normal yields; ongoing cold weather combined

with late rains have hurt pollination and maturation of the fruit and plants. We hope to see some of this improve over the next 2 weeks as other growing regions throughout Mexico are scheduled to ramp up and assist in some of the current shortfalls, but that is still weeks away.

- **Roma Tomatoes:** Good supply and Quality available this week. We expect volatility in the roma market over the next 3 weeks.

- **Grape Tomatoes:** Steady supply and good Quality available crossing through McAllen and Nogales.

- **Cherry Tomatoes: ESCALATED** Crops out of Mexico are slowly improving and we are seeing a downward trend on price as the volume increases. Unfortunately, with the imbalance on the east coast due to less acreage planted and weather-related pressure, markets remain at record highs. We will see this continue until Florida can produce volume consistently.

- **Medley Grape Tomatoes: ESCALATED** Lighter volume this week with fair Quality.

- Tomato on the Vine: Steady volume available this week.

California Tomatoes

- Slated to begin mature greens out of the desert in late May.

Apples and Pears

Apples: Washington State Apples remain in good promotable volumes on most varieties. Quality has been very good and is expected to remain good in the foreseeable future. Sizing is trending toward smaller sizes, 100s and smaller. Gala apples are seeing roughly one million fewer packages than last year.

Pears: Availability is down on Anjous, and Barlett is expected to see a rise in markets over the coming weeks.

Other Fruit

Domestic Stone fruit on the horizon with Cherries coming off first in Late April/ Early May followed by Apricots, Peaches and Nectarines.

California Table grapes should start in the desert in June. Georgia is projected to start peaches Mid-May.