



Weekly Market Review May 20, 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 is hot peppers with tomatillos, shishitos and serranos all being the most volatile. Markets will continue to be at record highs for this time of year across the entire category. We will continue to see hit and miss tomato production across the entire category this week as Culiacan wraps up for the season and transition to Jalisco as well as other regions in Mexico begin. Florida spring production is slow and mature greens out of the desert are about three weeks from production. Table grapes remain short, but we are seeing some additional supply on the market and over the next few weeks we will see improved markets as the Sonoran crop ramps up. We will start to transition melon supply from the offshore season to our domestic programs and good supply expected out of the desert over the next 7-10 days. Smaller avocado harvest volumes over the past 2 weeks have contributed to market stability. However, the spot market remains weak as handlers flush out excess inventory brought in for Cinco de Mayo. Once standing inventories drop below 65M pounds in the U.S., we can expect the market to strengthen again. Since April, Mexico has harvested 44M pounds less than estimates, meaning this volume is still on the trees and will be enough to support the U.S. through June. Loca fruit, the beginning of the '24/25 crop, is expected to be ready before July 1st. Currently, all signs are pointing to no gap in supply for the upcoming crop transition. Smaller sizes are expected to dominate the size curve through summer. When Peru begins to make a bigger impact (early June), sizes will mirror Mexico's availability and be heavy on 60s and smaller. In California, temperatures are slowly rising, and it seems that there is a warming trend. Quality and supplies are improving on all items from the Salinas growing areas.

Market Alert

- **Asparagus – ESCALATED**
- **Avocados – ESCALATED**
- **Bok Choy – ESCALATED**
- **Cabbage, Red - ESCALATED**
- **Carrots – ESCALATED**
- **Cantaloupe- ESCALATED**
- **Celery – ESCALATED**
- **Cilantro- ESCALATED**
- **Table Grapes- ESCALATED**
- **Hot Peppers (All Varieties) - EXTREME**
- **Limes – ESCALATED**

- **Lettuce, (Iceberg Liner, Romaine, Romaine Hearts, VA Iceberg, VA Romaine, VA Iceberg/Romaine Blends) – ESCALATED**
- **Lettuce, Green Leaf – ESCALATED**
- **Napa – ESCALATED**
- **Oranges (Small and Medium Sizes)– EXTREME**
- **Lemons (Small Sizes)– EXTREME**
- **Parsley (Curley and Italian) - ESCALATED**
- **Snow Peas – ESCALATED**
- **Tomatoes- ESCALATED**

Watch List

- **Artichokes**
- **French Beans**
- **Ginger • Lettuce, Red Leaf and Boston/Butter Lettuce, Better Burger**

Fruits & Vegetable

Avocados: ESCALATED Last week's harvest closed at 57.3M pounds up 5% from the previous week. Harvest for this week is tracking 25% down as the industry continues to mitigate excess supply. California volume is ahead of their weekly projections as harvest continues at a strong pace. Many growers are satisfied with harvesting early and strengthening their trees for a more robust set next season. With the last several weeks of harvest exceeding projections, the California season will be concentrated from now through June. The Normal crop continues to mature, with dry matter averaging 36.5%, ripe cycles are shorter, and fruit is at a peak eating experience. Markets saw a slight decrease across all sizes. The sizing curve slightly favors smaller fruit 60s and smaller.

Bananas: Steady supply and quality remain good.

Pineapples: Steady supply and quality remain good.

Table Grapes: ESCALATED Grape availability is slowly improving, but we do expect elevated pricing through the end of the month then ease back as we see more fruit coming available out of Mexico. Quality is fair on the remaining offshore inventory and will see a vast improvement as Mexican fruit fills the pipeline.

Berries

Strawberries: Supplies remain very good with lower markets. In Watsonville, the season uptick in production has resulted in large numbers, especially after cleaning up the fields following the weekend rain. Despite this, the berries have a good sheen, large size, strong red color, and good flavor. Growers have noticed some misshapen fruit, dry calyx, spongy tips, rain damage, and pin rot issues. Nevertheless, production is expected to increase quickly as the favorable weather continues. Oxnard has wrapped up its season, while in Santa Maria, the weather has been mild to warm, with slightly windy days. Daytime temperatures have ranged from the high 60s to mid-70s, and nights have dipped into the low 50s. Next week, the weather is expected to be slightly cooler, with daytime temperatures in the low 70's and nighttime temperatures in the low 50's. Despite some issues with misshapen fruit, green shoulders, bruising, and low rates of pin rot, the fruit and plants are in good condition and expected to produce peak numbers in the coming weeks. However, due to colder temperatures earlier in the week and an unexpected gap in certain early planted crops, production estimates for the week have significantly decreased. Some varieties are at their peak, while others have passed their peak due to being early planted crops. Growers are hoping for a strong bounce back in production next week compared to this week.

Blackberries: Quality is good, with sizing between the medium to large range, a nice sheen, mostly black, and good firmness. Due to high temps in the Mexico regions, growers see some regression in some ranches and softer fruit as the days get hotter. Volume has been dipping due to the heat and will be limited for a while until another minor peak comes again towards mid-June. Flowers have started to bloom in the Watsonville region, and growers should start to see the harvest of small scratch picks beginning at the end of this week.

Raspberries: Weather has been hot and sunny throughout all regions, with cooler mornings this week. Temperatures in Mexico were in the high 90s (almost 100), and nights in the mid-60s. Production has been down overall due to the recent hot weeks in the 90s, causing frequent rejections when received by our QC team. Overall, the fruit looks good with a strong red color, with some fruit lighter in color in the pack due to picking a bit early ahead of the heat. Sizes are mostly medium, with larger berries here and there. Growers do see some overripe and crumbled fruit sporadically throughout the packs, but crews are doing their best to keep them out of the packs. Volume has been dipping due to the heat and will be limited for the next few weeks until another minor peak comes again towards the end of May. Flowers are a little behind the Watsonville region and we should start to see a harvest of small volumes towards the end of May.

Blueberries: Growers have been experiencing some quality issues with shriveling, scarring, and deformities. However, overall, the blueberries' color, size, and flavor are good. The recent high heat has caused a decrease in production, especially for organic blueberries. On the bright side, the quality of the blueberries from Oxnard has been consistently good. The main defects growers have encountered are related to color, softness, and shriveling. This will be the final week of picking, and growers will have the product available for the next week or so until it is sold out. In Central Valley, blueberry production volumes have started to pick up and will continue to increase over the next few weeks. The warmer weather has been favorable for increasing volume, and we expect it to double for another two weeks, reaching its peak at the end of May. While growers have noticed some soft fruit and red backs, our packing house has been keeping them out of finished packs. Overall, the quality looks promising, and the size and flavor are good. Conventional blueberries will reach their peak in mid-June. Georgia's peak volume is expected for the next 7-10 days. Fruit set on certain varieties looks excellent. Quality is mostly good; machine picking has caused some soft fruit.

California Citrus

Oranges: EXTREME ON MEDIUM AND SMALL SIZES Valencia season is underway, as the Navel season is coming to an end. Small size oranges, even on Valencia's, continue to be in extremely short supply and will remain in short supply for the remainder of the California Valencia season with sizing trending large as well. Flexibility on sizing and loading areas will be mandatory to get orders filled.

Lemons: EXTREME ON SMALL SIZES We continue to see small lemons in California exceptionally short with no relief in sight until district 3 fruit gets started late in the summer. Imported lemons are starting to arrive in a small way with small fruit available. Flexibility on sizing and loading areas will be mandatory to get orders filled on orders loading in California.

Limes: The Lime market has been trending lower over the last week but looks to be stabilizing going into next week as demand has increased. We will continue to see increased overall availability as weather trends become more favorable. The overall lack of rain paired with extreme temperatures will affect sizing and quality/shelf life. As the crop continues to peak on 230's & 200's, with 175's also increasing in volume. Large sizes are still limited in supply.

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

Imports/Specialties: Domestic mandarins Pummelo's are available in the central valley of California. The volume on import lemons is increasing.

West Coast Lettuce

Iceberg: ESCALATED Lettuce supplies and quality are improving weekly. Warmer weather is on the horizon and is helping the crop gain better size and weight. Prices are still escalated but should be coming down slowly. The forecast for quality is continuing to improve.

Romaine, & Romaine Hearts: ESCALATED Supplies of romaine and romaine hearts areas still limited coming out of the Salinas Valley. Anthracnose and mildew continue to limit production, quality, and weights. The industry is still reaching into acreage early as demand remains extremely strong. Supplies will remain light into next week on both cartons and hearts, the market to be active. Pricing is still escalated but is coming down slowly.

Green Leaf: ESCALATED Production in the Salinas Valley is steady. Overall quality is good, and current markets remain strong with good demand. Prices are still escalating but are trending down.

Red Leaf & Butter: WATCHLIST Production in Salinas Valley is steady. Overall, the quality is good.

Eastern and Western Vegetables

Green Bell Pepper: Good supply available across all sizes and Quality is good out of all locations.

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 3-5 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.

Eggplant: Good supply and Quality available crossing through McAllen and Nogales. New crop will be available in South Georgia in approximately 3 weeks.

Slicer Cucumbers: Steady supply available out of McAllen, Nogales, and Florida. South Georgia is ramping up; Baja is scratching.

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 continues to improve in Guatemala. Steady supply and improved quality of conventional French beans out of Mexico.

Zucchini/Yellow Squash: Shipping out of Florida, South Georgia, McAllen, and Nogales. Good supply and Quality available in general. Best Quality continues to be on zucchini.

Herbs

Basil supply and quality are gradually improving as the weather improves. We are still seeing some quality issues with **dill** and **oregano**.

Melons

Cantaloupe: ESCALATED Volume has declined, and markets spiked this week but only expected to be short term. Currently peaking on 9/9Js with a limited number of 12/15s coming in, but enough to cover all contracted needs, however there may be a need to be flexible on sizes over the next 10-12 days. 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.

Honeydew: Offshore honeydews are currently peaking on larger fruit also with 4J/5s/5Js being the predominant sizing. Mexican crossings have started to increase but they are peaking on smaller sizes (6/8s). Supply expected to be steady through the transition to the desert crop in late May.

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** Overall supplies are still light. Quality is good.

Arugula: Supplies are good, Quality is improving.

Asparagus: **ESCALATED** Obregon/Southern Baja continues with low production and small sizing. Peru continues to increase production. Washington and Michigan production has increased this week as well. Peru has a delayed vessel which has helped demand. All markets are very heavy on standard size asparagus. Markets are better due to the Peruvian vessel delay. 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. Warmer weather is helping the product and it should be in better shape soon.

Broccoli/Broccoli Crowns: Salinas broccoli volumes have improved, and the market is slightly improved. 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.

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

Cauliflower: Quality is very good. Pricing is no longer escalated, and industries supplies are on the rise.

Celery: **ESCALATED** Quality in Oxnard has been a challenge for the industry with fusarium impacting many of the growers with lighter supplies continuing into next week, market is very active.

Cilantro: **ESCALATED** Cilantro supplies are getting tight, and we are seeing bacterial leaf spotting in the Salinas area. Mexico supplies are currently good, but those supplies will be tight in the next 3 to 4 weeks once the Salinas supplies get back to normal.

Corn: Good supply available out of Florida, and Coachella. Quality is good out of the southeast and South Georgia projected to start soon.

Fennel: Market is steady. Quality and supplies are good.

Garlic: The 2023-2024 California Garlic will come to an end, prior to the new crop being ready for harvest. Look for subs to Mexican product during transition, starting approximately June 1st. Quality is good.

Ginger: Supplies and market are steady

Green Cabbage: Supplies are steady with very good quality and demand is good.

Green Onions: We continue to see better supplies out of Mexico, with very good quality.

Mushrooms: Stable supply and good Quality available.

Napa Cabbage: ESCALATED We continue to see some quality issues, but we should see an improvement over the next few weeks. Quality and supplies are improving.

Parsley: ESCALATED (Curly, Italian) Supplies will be limited for the next few weeks, quality is fair.

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

Red Cabbage: ESCALATED Pricing is escalated. Quality is good although supplies continue to be tight, and the market is stronger.

Spinach (Bunched & Baby): Supplies are good, quality continues to improve.

Spring Mix: Supplies are good, quality looks very good.

Snow Peas and Sugar Snaps: ESCALATED Guatemala's production of snow peas remains low due to the heat and lack of rain. Sugar snap production is back to normal. Markets are still very active on snow peas. Out of the West, snow peas are limited due to weather and demand on the East Coast. Sugar snaps are in much better shape this week.

Onions: ESCALATED

Red onions remain extremely short, leading to higher market prices. We are optimistic that May will bring some relief, although significant changes may not occur until the middle of the month. With low inventory levels, growers will need to sell their produce at lower prices to reduce the FOB prices. Texas has mostly completed their crop, except for yellow and white onions. New Mexico is expected to join the market towards the end of May, but their production peak is anticipated in June.

Potatoes:

There are no significant changes or obstacles anticipated. The market is projected to remain relatively stable. In May, we anticipate a slight increase in Burbanks and a decrease in Norkotahs. By the end of the month, all growers should have completed harvesting Norkotahs and transitioned exclusively to Burbanks until the new crop of Norkotahs is harvested in August.

Tomatoes: East Coast

• **Round Tomatoes: ESCALATED** Markets remain escalated and supplies lighter than normal. Spring harvest is now in full swing, and quality remains fair at best and peaking on larger sizes. We expect to see more local regions start harvesting the first of June in South Georgia and South Carolina.

• **Roma Tomatoes: ESCALATED** Market firmed up a bit this week due to lighter projections. Overall, the quality is good.

- **Grape Tomatoes:** Excellent supply and quality available
- **Cherry Tomatoes:** Excellent supply and quality available

Tomatoes: Mexico

• **Round Tomatoes: ESCALATED** With the Sinaloa season coming to an end and a very slow start to the Sonoran season, and we are seeing high markets and short supply once again. We expect to see this improve once the Sonoran and Jalisco regions can effectively start harvesting fruit on a consistent basis. Currently, they are behind and already projecting below normal yields but should see some improvement over the next week. Baja's volume expected to ramp up over the next week. Overall quality has been good on the new crop we have seen thus far.

• **Roma Tomatoes: ESCALATED** 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:** Steady supply and good Quality available crossing through McAllen and Nogales.

• **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 mid to late May and Valley fruit should scratch in early June

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.

Stone Fruit

• California is scratching **peaches** and **cherries** this week.

• **Nectarines and Apricots** should ramp up by the end of month.

• Georgia is projected to start **peaches** Late-May.