



Weekly Market Review May 13, 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 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 continues to disrupt typically calm seasonal crops. 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 to come on and Mature greens out of the desert are about three weeks from production. 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. Excellent melon supply out there just in time for Memorial Day Prep. Another avocado eating holiday is behind us. Coming out of the holiday, the market is expected to be stable as there is enough inventory on hand to support a strong reload. Stable conditions are expected to last into next week, with multiple COO's becoming more available, the pressure is off Mexico to harvest everything the U.S. consumes. The volumes remaining of Mexico's current crop must carry us through June, and at the present pace of harvest which is lower than projections, Mexico should have enough fruit to take us into July. The new fiscal year for Mexico starts in July, coinciding with the release of the Loca crop. Smaller sizes are expected to dominate the size curve through summer. When Peru begins to make a bigger impact (early June) size will mirror Mexico's availability – heavy on 60s and smaller. In California, quality and supplies are improving on all items from the Salinas growing areas.

Market Alert

- **Asparagus – ESCALATED**
- **Avocados – ESCALATED**
- **Basil – ESCALATED**
- **Bok Choy – ESCALATED**
- **Cabbage, Red - ESCALATED**
- **Carrots – ESCALATED**
- **Cauliflower – ESCALATED**
- **Celery – 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**
- **Onions – ESCALATED**
- **Oranges – EXTREME ON SMALL SIZES**
- **Lemons – EXTREME ON SMALL SIZES**
- **Parsley (Curley and Italian) - ESCALATED**
- **Potatoes – ESCALATED**
- **Snow & Sugar Snap Peas – ESCALATED**
- **Tomatoes- ESCALATED**

Watch List

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

Fruits & Vegetables

Avocados: ESCALATED Last week's harvest closed at 54.7M pounds, down 20% from the previous week. Harvests for this week are tracking out similarly to last week, and actuals are expected to come in similar – mid-50M pounds for Week 19. The Normal crop continues to mature, with dry matter averaging 35.8%, ripe cycles are shorter, and fruit is at a peak eating experience. Markets have declined slightly 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 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: Strawberry supplies are steady, and markets remain lower. The weather has been sunny and warm with daytime temperatures in the mid 60's and nights in the mid 40's. Rain is expected on Saturday with amounts ranging from 0.25" to 0.50". Next week will warm up with temperatures in the high 60's to low 70's during the day and high 40's to low 50's at night. Watsonville is seeing an increase in strawberry production, with conventional counts at 10-14 a case and organic counts at 16-18 a case. The fruit is good quality but there are some issues like misshapen fruit and low amounts of pin rot. Santa Maria is experiencing windy and warm weather with mild temperatures and a chance of rain on Saturday. Production is expected to increase in the coming weeks with good fruit quality but some issues like misshapen fruit and green shoulders.

Blackberries: Quality is good, with sizing between the medium to large range, nice sheen, mostly black and with good firmness. Conventional counts are 22-36 and organic counts are 32-34. Due to high temps in the regions, we do see some regression in some ranches and some softer fruit as the days get hotter. Volume has been taking a dip 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 we should start to see the harvest of small scratch picks starting the end of next week.

Raspberries: Weather has been hot and sunny with cooler mornings, leading to production being down due to the high temperatures. Fruit quality is good overall, with some lighter-colored fruit due to early picking. Sizes are mainly medium

with some larger berries. Volume is limited due to the heat, with another small peak expected towards the end of May. In Watsonville the flowers are behind, and growers should start with small volumes towards the end of May.

Blueberries: Mexico is experiencing issues with shriveling, scarring, and deformities in blueberries, with some areas finishing their season. The color, size, and flavor of the blueberries are good, but production is down due to high heat. Conventional blues are seeing a slight bump in volume this week, but organics will start seeing a decrease towards the middle of June. Oxnard has cold weather causing slow ripening and lower volume production, with most defects due to color, soft, and shriveling. Organic production volumes have started increasing, with warmer weather causing a ramp up in volume. Conventional blues will peak in late May to early June. The Southeast has average temperatures in the high 80s and low 60s, with mid-Season in Florida having good volume and good quality. Georgia has good volume this week and continues through May, with good quality and overall production.

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: EXTREME ON SMALL SIZES We continue to see small fruit 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 to get orders filled.

Limes: ESCALATED 110's, 150's & 175's continue to be in extremely short supply although lighter demand after Cinco de Mayo has the overall market trending lower. Large sizes continue to be in very light supply so flexibility on large sizes will be mandatory to get orders filled.

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. We will start to see some imported Lemons starting in the month of May.

West Coast Lettuce

Iceberg: ESCALATED Lettuce supplies and quality are slowly improving but waiting on some warmer weather to help the crop gain better size and weight. Prices are still escalated but seem to be trending downward slowly. The forecast is for quality to continue to improve.

Romaine, & Romaine Hearts: ESCALATED Supply continues light 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. Look for supplies to remain light into next week on both carton & hearts, market to remain active.

Green Leaf: ESCALATED Production in the Salinas Valley is steady. Overall quality is good, and current markets remain strong with good demand.

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, 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, 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 out of Guatemala. Out of Mexico, supplies remain steady, and quality improves.

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 quality continues to improve. We are still seeing some quality issues with **dill**. **Chervil** production is back to normal.

Melons

Cantaloupe: Volume will start to decline on offshore fruit over the next two weeks and start the transition to the desert. Currently 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. 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. 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 Asparagus production from Caborca & San Luis, Mexico is finished for the season. Oregon and Southern Baja, Mexico continues with low production and small sizing. Peru continues to increase production. Washington and Michigan have started with low production. Markets remain slow, except for XL/jumbo, which will continue to be very limited. 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; 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: ESCALATED – Quality is very good. Pricing is still escalated although supplies are quickly improving.

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: Cilantro supplies, and Quality continue to improve.

Corn: Good supply available out of Florida, and Coachella. 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 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. 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 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 – 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 Quality is good although supplies continue lighter. The market is stronger.

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

Spring Mix: Supplies are good, and quality continues to improve.

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 has improved but is not back to normal yet. Markets remain very active. There is a fair supply of snow peas out of the west. Due to field transitions, sugar snaps will continue to be limited for the next few weeks.

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. There is a lot of pressure on the market until growers can start packing the spring regions sometime later next week. Quality remains fair at best and peaks at larger sizes.

- **Roma Tomatoes:** Market has eased back a bit this week with improved harvest projections going into the weekend and quality is much better this week.

- **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, 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 will also scratch on fruit this week and bring additional volume to the west coast. 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.

Other Fruit

- California is scratching on **peaches and cherries** this week.
- **Nectarines and Apricots** should ramp up by the end of month.
- California **Table grapes** should start in the desert in June.
- Georgia is projected to start **peaches** Mid-May.