June 20, 2024

OVERVIEW

We are watching a few tropical disturbances that will impact supplies out of Central Mexico this week. We expect to see some heavy flooding is most areas as they are expected to see up to a foot of rain is some areas. In the west and northeast heat is expected to remain the concern for several crops with highs well above normal for the next several days. South Georgia production continues to increase on several items, but bell pepper will be the shortest as we are starting to wind down for the season and transition north. In the west, the transition is underway from the desert to Arvin and when you combine this with the eastern transition the result is a very short market across the country. We expect to see tight markets in the region and on the west coast for the next ten days. Hot peppers are still somewhat active with shishitos and serranos being the most volatile for the next several weeks. Tomato markets have tightened on both coasts and new crops out of the California desert on mature greens are winding down and, in the east, the transition is underway to the Carolinas and Tennessee. Steady supply crossing in McAllen and Otay, this week, on rounds while romas have tightened up and Florida is mostly done for the season. Supply out of the desert on melons has been fair and should go through the first week of July then transition to California. A security issue involving two USDA inspectors in Michoacan halted the export of Michoacan's avocados, which account for a significant portion of the U.S. supply. The last time such an incident occurred, Mexican U.S. avocado export activity was suspended for seven days. This disruption is expected to have significant repercussions on the market, which had been hoping for stabilization of prices and inventory levels with the New Crop incoming. Growers had enough fruit on hand for 7-8 days' worth of supply, but by mid-week next week, supply is expected to decrease significantly. The avocado pipeline will take two weeks to fill, and there will likely be a gap in Mexican production of 5-9 days, dependent on the distance from the Mexican border. Harvested fruit takes 2 days to reach the border, 2-3 days for ripening, and 1-4 days for transit time. The weather in the Salinas Valley is heating up and early harvesting is still causing some issues with supply, but things are slowly improving. While the warmer weather is helping, it will take some time to get back on track. As a result, we will have extreme markets on most commodities. Broccoli fields are very far behind and therefore supply has become very short, although quality is not a problem. Broccoli will likely be escalated throughout the rest of the month.

MARKET ALERTS



ASPARAGUS – ESCALATED

Obregon/Southern Baja production continues to improve. Guanajuato should start in the next 7-10 days. Washington, Michigan and Canada production have started wind down due to seasonality. Peruvian volume remains unchanged from last week. Markets continue to be sluggish to do multiple regions in production. White asparagus continues to be very limited to non-existent from Peru, likely until July. Large sizes will also be difficult to come by for the next few weeks. Warm weather in both Mexico and Peru is causing smaller sizing.



ARTICHOKES – ESCALATED

Overall supplies are still light, and quality is good.



AVOCADOS – EXTREME

Last week's harvest closed at 54.1M pounds, a 7% decrease from the previous week. Mexico only lost Friday and Saturday harvests in these numbers, and both California and Peru experienced a nice increase. Due to no harvests this week out of Mexico, pricing has increased considerably across all sizes and COOs. Mexico's



GREEN BEANS - ESCALATED

Supply is lighter this week and quality hit and miss due to weather related pressure. We should see better supply in 2 weeks as we transition to newer growing regions.



FRENCH BEANS - EXTREME

Due to extreme heat in Guatemala and either no rain in some growing regions or too much rain in others, the French bean supply will be limited to non-existent for at least two to three weeks. Field temperatures are at 20 degrees above normal while supply is at about 30% of normal this week with very elevated markets. Next week, supply is looking to be 5-10% of normal at best.



HOT PEPPERS – 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 few weeks until new crop out of Baja, North Carolina and the central coast of California ramp up.

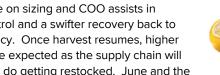


LIMES - ESCALATED

The severe drought in Mexico continues to effect limes. The market is strengthening on all sizes as supplies are decreasing and quality continues to be a struggle. In addition, a tropical storm will be dropping a significant amount of rain over the next week in lime growing areas which will make it difficult for growers to get into the fields and pack, decreasing the available supplies crossing the



normal crop continues to mature, and dry matter averages 37.4%. Ripe cycles are shorter, and fruit has a peak eating experience. Much depends on when Mexico opens back up. In times like this, being flexible on sizing and COO assists in damage control and a swifter recovery back to some normalcy. Once harvest resumes, higher field costs are expected as the supply chain will have work to do getting restocked. June and the beginning of July will remain volatile.



border. Expect pricing on all sizes, especially large sizes to strengthen as supplies on all sizes decrease.

LEMON (SMALL SIZES) - EXTREME



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. Import Lemons are arriving with small fruit available. Flexibility on sizing and loading areas will be mandatory in order to get orders filled on orders loading in California!



BELL PEPPERS (ALL COLORS) - ESCALATED

- Green Bell Pepper: Lighter supply in the east and west have spiked the market and we expect conditions to be the same for the next few weeks. Transition in both regions combined with weather and quality issues have impacted supply until we can get into newer blocks. In the east, transition from S Georgia to North Carolina and Tennessee, and in the west, we expect the desert to wrap up this week with transition to the Central Valley. Markets will be in the \$30+ range on all sizes by end of week with possible pro-rates.
- Color Bell Pepper: Lighter supply and fair quality will impact the market for the next ten days mostly due to the west coast being in the middle of their transition from the desert to the Central Valley. The heat has complicated this by impacting the tail end of the desert crop resulting in less supply on color pepper.



LETTUCE- ESCALATED

- **Iceberg:** Lettuce supplies are improving across the board and we are seeing good quality and condition. Pricing has adjusted down but expect pricing to stabilize next week.
- Romaine, & Romaine Hearts: Romaine, and romaine heart production is continuing to improve. Weights and yields are looking good, but pricing on hearts is still escalated but trending down.



NAPA - 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

Supplies will be limited for the next few weeks, quality is



SNOW & SNAP PEAS – ESCALATED

Guatemala production of snow peas remains very low due to the heat and lack of rain. Sugar snap production is now struggling as well. Markets are very active on both snow peas and sugar snaps. Peruvian peas have started to become available. Out of the west, snow peas continue to be very limited, but sugar snap peas are in steady supply.



BOK CHOY – ESCALATED

Supplies are improving and quality is good. The market is active.

BROCCOLI – ESCALATED

Overall quality is good, but volumes have decreased drastically. Expect short supplies for at least the next 2 weeks and increased pricing.



CABBAGE, RED - ESCALATED

Pricing is escalated, and quality is good although supplies continue to be tight. Market remains very active



CILANTRO – ESCALATED

Supplies are steady, but some markets are very light; quality is improving, and the market remains very active.

WEATHER

SALINAS, CA

Thu 6/20	Fri 6/21	Sat 6/22	Sun 6/23	Mon 6/24	Tue 6/25	Wed 6/26	Thu 6/27
62° 51°F	67° 52°F	70° 54°F	69° 52°F	69° 53°F	70° 53°F	71° 53°F	68° 51°F
AM Clouds/PM	AM Clouds/PM	Partly Cloudy					

REPOR



OXNARD, CA

Thu 6/20	Fri 6/21	Sat 6/22	Sun 6/23	Mon 6/24	Tue 6/25	Wed 6/26	Thu 6/27
70° 57°F	71° 58°F	71° 61°F	75° 62°F	74° 61°F	72° 61°F	73° 62°F	74° 62°F
						***	***
Partly Cloudy COACHELLA, C	Partly Cloudy A	Partly Cloudy	Partly Cloudy	Mostly Sunny	Sunnv	Sunnv	Sunnv
Thu 6/20	Fri 6/21	Sat 6/22	Sun 6/23	Mon 6/24	Tue 6/25	Wed 6/26	Thu 6/27
108° 78°F	112° 77°F	111° 83°F	111° 85°F	112° 84°F	113° 84°F	114° 82°F	112° 78°F
***	***	***			***	***	
Sunny	Sunny	Sunny	Partly Cloudy	Sunny	Sunny	Sunny	Sunny
BAKERSFIELD,	CA						
Thu 6/20	Fri 6/21	Sat 6/22	Sun 6/23	Mon 6/24	Tue 6/25	Wed 6/26	Thu 6/27
95° 66°F	100° 71°F	108° 75°F	107° 76°F	104° 74°F	103° 73°F	101° 71°F	99° 68°F
***	***				***	***	***
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny
JALISCO, NAYA	RIT						
T1 0/00	E : 0 /0 /	0 1 0/00	0 0100		T 0.05	111 10100	T1 0.10 T

Thu 6/20	Fri 6/21	Sat 6/22	Sun 6/23	Mon 6/24	Tue 6/25	Wed 6/26	Thu 6/27
77° 68°F	79° 68°F	80° 67°F	75° 67°F	73° 66°F	71° 65°F	71° 65°F	76° 65°F
//// Rain	//// Thunderstorms	Showers	Thunderstorms				
VIZCAINO, BAJA	SUR						
Thu 6/20	Fri 6/21	Sat 6/22	Sun 6/23	Mon 6/24	Tue 6/25	Wed 6/26	Thu 6/27

Thu 6/20	Fri 6/21	Sat 6/22	Sun 6/23	Mon 6/24	Tue 6/25	Wed 6/26	Thu 6/27
100° 63°F	98° 75°F	97° 71°F	95° 69°F	98° 69°F	97° 68°F	97° 68°F	96° 69°F
	2						
Partly Cloudy	Mostly Cloudy	Partly Cloudy	Mostly Sunny	Mostly Sunny	Partly Cloudy	Mostly Sunny	Mostly Sunny
LAKE PARK, GA							
Thu 6/20	Fri 6/21	Sat 6/22	Sun 6/23	Mon 6/24	Tue 6/25	Wed 6/26	Thu 6/27

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Thu 6/20	Fri 6/21	Sat 6/22	Sun 6/23	Mon 6/24	Tue 6/25	Wed 6/26	Thu 6/27	
93° 70°F	93° 74°F	95° 74°F	95° 75°F	96° 76°F	97° 74°F	95° 74°F	95° 74°F	
		1111	1111	1111	1111	1111	1111	
Partly Cloudy	Partly Cloudy	Scattered	PM	PM	PM	Scattered	Scattered	

Thunderstorms | Thunderstorms | Thunderstorms | Thunderstorms | Thunderstorms | Thunderstorms |