

MARKET REPORT

July 18, 2024

OVERVIEW

Corn, Roma tomatoes, bell peppers and hot peppers are all extremely short this week with possible GAPS in production on poblanos, habaneros and cubanelles. Most of this is due to heat and rain related pressure; with the transition to Tennessee and North Carolina expected over the next two weeks, we expect supply locally to be extremely short. In addition, table grapes, corn, bell peppers, stone fruit, soft squash, tomatoes, beans and eggplant will see weather-related pressure in the west as they are exposed to the first major heat wave of the season in California. We will need to watch this closely as it could dictate the direction of several markets for weeks. Table grape supply out of Mexico is winding down rapidly. Recent rain and heat have caused quality issues and fruit is being rejected at the border daily for poor sizing, soft berry, shatter and other shelf-life issues. California grape production has begun and quality is outstanding. Market stability is seemingly within reach for avocados. Standing inventories have been pivoting around a comfortable 60M pounds, with days of supply only slightly higher on larger sizes. With plenty of country-of-origin options supplying the industry, and price points coming back down-to-earth, avocados can once again take part in summertime promotions. For the short-term, additional movement is needed on 48s and larger, but once August is here, that will switch to 60s and smaller. Rain continues in most Guatemalan growing regions damaging crops. This will have long-term effects on commodities such as French beans, snow peas, sugar snap peas, heirloom tomatoes, and hand-peeled baby carrots. The weather in the Salinas Valley is returning to normal temperatures but the inland valleys remain very hot. The growers have all done a great job navigating the heat and harvesting earlier in the day to keep supplies in a good place, but we could still see some difficulties. As for quality, we have been seeing good quality on most items, but the heat has caused thinner texture for spinach, light internal burn for romaine, and damaged cap leaves for lettuce. Once removed, the quality is good. Lettuce liner is still slightly escalated and may increase more depending on how the heat continues to affect the fields. Broccoli and Brussel sprouts are still escalated and are a challenge as far as supplies go. Broccoli supplies are improving, and we should see the market start to come down. Brussel sprouts continue to have quality and supply issues that may not see relief until we get into August. Some growers are having more challenges than others, so we should expect to continue to see supply issues with the sprouts. Smaller volume items that are currently escalated due to the heat are endive, escarole, leeks and fennel. We will also continue to monitor the heat and closely watch lettuce liner, romaine, broccoli, cauliflower, green onions and spinach.

MARKET ALERTS



ASPARAGUS – ESCALATED

Markets are still active with the lack of production. Obregon/Southern Baja production has improved this week with better weather in the region. Production in Guanajuato has improved with more rain in that region. Peruvian volume is better this week and should continue to improve in the next two weeks. White asparagus continues to be out until the end of 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 – ESCALATED

Colombia's imported numbers were revised down for the last few weeks adjusting down the total volumes for the US in June. Last week, the biggest increase in volume came from Peru and total volumes exceeded 60M pounds. Mexico's market-share dropped to 40%, while California and Peru are neck-to-neck at 28% and 25% respectively. Harvest in Mexico remains strongest on Old



FENNEL, ANISE – ESCALATED

The fields are seeing lower yields and therefore there is a shortage in supply. Pricing will stay escalated until supplies improve.



FRENCH BEANS – EXTREME

Markets have improved slightly and are expected to continue to improve.



HOT PEPPERS – EXTREME

Record low supply continues! In the east we are seeing a GAP on a few hot pepper items. Poblano and cubanelle are the shortest due to heat and rain related pressure; with the transition to Tennessee and North Carolina expected over the next two weeks, we expect supply locally to be extremely short. There are some local deals starting to scratch and Southern Valley is doing what they can to secure any additional product. In Mainland Mexico we are starting to transition from Guanajuato to Chihuahua but are also seeing delays. The new regions are receiving quite a bit of rain and may get hit by this latest hurricane in the Caribbean Sea. Currently there are very tight markets on the following items: habanero, shishito, anaheim, serrano, poblano. Tomatillo and jalapeno supplies are fair. In the west the summer production is not quite ready in Baja nor California. We do not expect to see improvements for the next two weeks in the west.

Crop/Negra fruit as Loca needs some sun for dry matter to increase to ensure it makes minimum requirements for importing to the US. Last week's arrivals from Peru came in at 14.8M pounds, and projections are calling for similar volumes for the next 3 weeks. The size curve coming out of the mid-season harvest is slowly sizing up, but significant changes aren't expected for this year. This season will have an earlier ending than the previous several years, as volumes will rapidly decline in late August. California is having a great season, with 16.8M pounds harvested last week. The timing of strong grower returns and high demand for fruit has lined up well this season, and clearing the trees early has the added benefit of reinforcing a stronger set for next year. Estimates for what remains on-the-trees in California continues to grow and the season will now easily last through August.



BELL PEPPERS (ALL COLORS) – ESCALATED

- **Green Bell Pepper:** Lighter supply in the east and west has spiked the market and we expect conditions to be the same for the next week. Transition in both regions, combined with weather related supply as well as quality issues, have impacted supply until we can get into newer blocks. In the west, green supplies are slowly improving; however, we will need to keep a close eye on the west as the heat wave will impact the early crop out of Bakersfield and Arvin.
- **Color Bell Pepper:** Very light supply and fair quality will impact the market for the next ten days mostly due to the west coast. We expect to see challenges over the next two weeks, and we are seeing some poor quality, soft pepper and sun scald. There are some hot house peppers available from Mexico and Canada.



BOK CHOY – ESCALATED

Supplies are fair, and quality is good, but there are some issues with dirt in the core. The market is active.



BROCCOLI – ESCALATED

Overall quality is fair, and supplies are improving. While pricing is still escalated, it is trending down. We have seen some brown and yellow bead, purpling, deformation and some pin-rot.



BRUSSELS SPROUTS – ESCALATED

Demand continues to outpace available supply. Supplies in the VA category may see some shortages driven by quality issues and whole brussels spouts will continue to see prorates. Insect damage is still a chronic problem, discolored leaves, smaller sizing and elongated stem are all issues that have been reported.



LIMES – ESCALATED ON SOME SIZES

Large sizes are increasing in availability due to the consistent rain over the past few weeks, although fruit quality/condition continue to be fair. We are starting to see a decline in small sizing and availability will start to decrease towards the end of the month. Pricing trends are beginning to shift as volume on large sizes increases.



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. Supply on lemons from Mexico continue to be very light as drought conditions have affected available fruit to pick. Flexibility on sizing and loading areas will be mandatory to get orders filled on orders loading in California!



LETTUCE, ICEBERG (ICEBERG LINER-VA ICEBERG AND ICEBERG BLENDS) – ESCALATED

- **Iceberg:** Supplies and quality are good. We have seen a bit of sun damage on the cap leaves but once that is removed, the quality is good. This item is still slightly escalated and could potentially escalate more if the heat continues and causes more quality issues.
- **Iceberg VA:** Iceberg VA items are still escalated this week and will be on the radar for the month of July due to the heat wave.



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 are improving quality is fair.



SNOW PEAS – ESCALATED

Guatemala production of snow peas and sugar snaps is almost non-existent due to weather issues the past 2-5 weeks. Peruvian snow peas are available in Miami. Markets are very active on all peas. Out of the west, snow and sugar snap pea supply is improving.



TOMATOES – ESCALATED, EXTREME

EAST:

- **Round:** No major changes in the markets despite the local deals now being in full swing with strong demand and firm markets. Now picking in North Carolina, Tennessee, Arkansas and Virginia. Deals are being made on larger sized fruit this week, but we expect that distribution to even out over the next 10 days. Overall quality is very nice.
- **Roma:** EXTREME Markets remain firm and prices were a bit higher as supply has not hit a good stride yet locally. We expect to remain this way through the middle of next week at the earliest.
- **Grape:** Improving supply locally has put downward pressure on the category. We expect this to continue as more volume locally becomes available.

WEST:

- **Round:** Good supply and quality available out of Jalisco and Baja but rain this week could impact Southern Mexico causing delays in harvesting. We will

MARKET REPORT



HENDERSONVILLE, NC

Thu 7/18	Fri 7/19	Sat 7/20	Sun 7/21	Mon 7/22	Tue 7/23	Wed 7/24	Thu 7/25
84° 66°F	78° 67°F	79° 65°F	80° 66°F	79° 66°F	78° 66°F	80° 66°F	78° 66°F
Isolated Thunderstorms	Thunderstorms	Thundershowers	PM Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms	Scattered Thunderstorms