

MARKET REPORT

POWERED BY:



July 25, 2024

OVERVIEW

We are seeing very light supply this week on corn, hot pepper, bell peppers and tomatoes. Roma tomatoes, bell peppers, and hot pepper are all extremely short with possible GAP in production on poblano, habanero and cubanelle. 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 to this the following commodities, will see weather related pressure in the west. Table grapes, corn, bell pepper, stone fruit, soft squash, tomatoes, beans and eggplant will all be exposed as the heat in the west continues. We will need to watch this closely as it could dictate the direction of several markets for weeks. The avocado market has started to recover after undergoing a four-week period of adjustment from the peak price point of the year, which was influenced by the USDA shutdown in Mexico. Consistent volumes are anticipated from all current COOs in the upcoming weeks, with hopes of market stability in August. Although a notable change in size distribution is projected from Mexico in the next few weeks, strategic promotions and size adjustments can help maintain equilibrium. Smaller fruits from Mexico are expected to be preferred in August and September, particularly as California and Peru phase out. 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. Growers have continued to navigate the heat and are harvesting earlier in the day to keep supply in a good place as we see some weather-related difficulties in the inland valley as it remains very hot. We have been seeing good quality on most items, but the heat has caused thinner texture for spinach, light internal burn on romaine, and damaged cap leaves on lettuce. Broccoli supplies are improving, and we should see all escalations removed by the end of the month. Brussel Sprouts continue to have quality and supply issues that may not see relief until we get into Aug. Some growers are having more challenges than others, so we should expect to continue to see supply issues with brussels sprouts. Endive, escarole, leeks and fennel are escalated until we see relief on supply issues. We will also continue to monitor the heat and closely watch liner, romaine, broccoli, cauliflower, green onions and spinach for any heat related issues.

MARKET ALERTS



ASPARAGUS – ESCALATED

Obregon/Southern Baja production has dropped on the bigger sizes due to heat in the crowns. Mexico has an overproduction of small and standard sizes. Production in Guanajuato continues to improve, but only on the smaller sizes. Rain is expected in this region this weekend. Peruvian volume continues to improve, but cooler temperatures are slowing down growth of the bigger sizes. Southern Peru should start in three to four weeks. White asparagus continues to be out until end of August and will still be limited until November. Markets are less active on smalls and standards, more active on large, XL and jumbo.



ARTICHOKES – ESCALATED

Overall supplies are still light, and quality is good.



AVOCADOS – ESCALATED

Last week saw a 6% decrease in overall volumes, with the US recording 56.4M pounds. Mexico's harvest has been affected by rain, leading to reduced inventories and a strengthening market. Old Crop/Negra remains abundant, while Loca is



GREEN BEANS - ESCALATED

Supply is lighter this week and quality is hit and miss due to weather related pressure.



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

Production continues to improve, particularly on bulk packs. Smaller packs are still limited but improving.



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

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less prominent. Peru brought in 14M pounds last week, with similar volumes expected for the next 2 weeks. The mid-season harvest is slowly increasing in size, but significant changes are not anticipated this year. The season is projected to end earlier than in previous years, with California expected to produce over 300M pounds, a significant increase from earlier projections. Volumes will be available through August, with the season wrapping up in September.



BELL PEPPERS (ALL COLORS) – EXTREME/ESCALATED

- **Green Bell Pepper: (ESCALATED)** 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: (EXTREME)** Very light supply and fair quality will impact the market for the next ten days, mostly due to the heat on the west coast. We are seeing poor quality, soft pepper, and sun scald, at this time so please expect to see challenges over the next two weeks. In the east, with the transition color pepper is almost nonexistent which we hope to see improving supply over the next two weeks. 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.



BRUSSELS SPROUTS – ESCALATED

The outlook for supplies continues to be light. Expect to see an escalated market with limited supplies on the bulk items. Quality is good and insect injury has reduced but the elongated seed stem/core is still present.



CABBAGE, RED – ESCALATED

Pricing is escalated, and quality is good although supplies continue to be tight. Market remains very active, but things do seem to be improving.



CORN – ESCALATED

Supply is hit and miss in the east due to transitional gaps and poor quality is prevalent due to insect pressure. In the west, supply is stable and markets remain firm this week.



ENDIVE & ESCAROLE – ESCALATED

We are experiencing some supply issues

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.



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!



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 still almost non-existent due to weather issues the past 3-5 weeks. Peruvian peas are available in Miami. Markets have come off with more Peruvian peas available.



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:** Markets remain firm 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 need to watch the outcome of the tropical weather impacting Central and Southern Mexico this weekend. Expect to see higher demand and upward pressure on price as demand will increase from the east as the local transition is underway. This will continue to put upward pressure on FOB prices.
- **Grape:** Supply slowly improving out of Central Mexico and Baja. Markets remain firm due to strong demand from the east. This should stabilize as the east coast production starts to ramp up.

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WEATHER

SALINAS, CA

Thu 7/25	Fri 7/26	Sat 7/27	Sun 7/28	Mon 7/29	Tue 7/30	Wed 7/31	Thu 8/1
72° 53°F	67° 55°F	65° 53°F	64° 53°F	66° 54°F	70° 56°F	70° 55°F	71° 55°F
Partly Cloudy	Partly Cloudy	AM Clouds/PM	AM Clouds/PM	AM Clouds/PM	Partly Cloudy	Partly Cloudy	Partly Cloudy

OXNARD, CA

Thu 7/25	Fri 7/26	Sat 7/27	Sun 7/28	Mon 7/29	Tue 7/30	Wed 7/31	Thu 8/1
75° 62°F	74° 58°F	71° 58°F	69° 57°F	70° 58°F	71° 59°F	71° 61°F	73° 62°F
Partly Cloudy	Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

BAKERSFIELD, CA

Thu 7/25	Fri 7/26	Sat 7/27	Sun 7/28	Mon 7/29	Tue 7/30	Wed 7/31	Thu 8/1
109° 80°F	106° 71°F	97° 68°F	96° 69°F	97° 70°F	98° 71°F	99° 72°F	101° 75°F
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Sunny

JALISCO, NAYARIT

Thu 7/25	Fri 7/26	Sat 7/27	Sun 7/28	Mon 7/29	Tue 7/30	Wed 7/31	Thu 8/1
75° 66°F	78° 65°F	81° 65°F	82° 67°F	83° 67°F	82° 67°F	79° 66°F	81° 66°F
Thunderstorms	Thunderstorms	Scattered Thunderstorms	Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Thunderstorms	Thunderstorms

HENDERSONVILLE, NC

Thu 7/25	Fri 7/26	Sat 7/27	Sun 7/28	Mon 7/29	Tue 7/30	Wed 7/31	Thu 8/1
76° 66°F	79° 66°F	79° 65°F	81° 67°F	78° 65°F	83° 66°F	86° 67°F	87° 67°F
Rain	Showers	Cloudy	Showers	Thunderstorms	Thunderstorms	PM Thunderstorms	Scattered Thunderstorms