

MARKET REPORT

POWERED BY:

Fresh
ALLIANCE

July 3, 2024

OVERVIEW

South Georgia production will start to wind down over the next two weeks as the season closes and move on to other local regions. We are seeing very light supply this week on hot pepper, bell pepper and tomatoes. 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 they can. Mainland Mexico is starting to transition from Guanajuato to Chihuahua, but we are seeing delays as the new regions are receiving quite a bit of rain and may get hit by this latest hurricane in the Caribbean Sea. Currently, we are seeing very tight markets on the following items: Habanero, Shishito, Anaheim, Serrano, Poblano while tomatillo and jalapeno supplies are fair. In the west, the summer production is not quite ready in Baja nor California, but we do not expect to see improvements for the next two weeks. 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 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 grapes supply out of Mexico is winding down rapidly as 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. Coachella and Arvin will pack more fruit in 7 to 10 days and we could see a bump in markets until we transition completely to the Central Valley. Supply out of the desert on melons has been fair and will transition to California this week. The reduced demand caused by limited avocado availability and high prices has led to changes in the industry. The old crop harvest is now projected to last longer than initially predicted, ensuring that 48s & larger avocados will still be accessible until July. The Loca crop is expected to favor 60s and smaller sizes, with the harvest gradually increasing. There will be expected to be ongoing fluctuations in the market over the next few weeks as all COOs will adapt to varying harvest levels, size distributions, new regulations, and dry matter levels. Rain continues in most Guatemalan growing regions which has damaged many 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. California is heading for a heat wave and while the early harvesting has caused some issues with supply, the heat wave may also be a factor in more supply issues. Now, we are seeing good quality on most items and supply has improved but we are now going to have to keep a close eye on commodities across the board with the temperatures exceeding 100 degrees in some areas. In reference to supply, the big concerns are still brussels sprouts and broccoli. Brussels sprouts are still very tight and prorates should be expected and pricing has now escalated. Broccoli is still seeing extremely light supply and prices will remain escalated. We will have to watch and see what the heat does to the other commodities like, liner, romaine, broccoli, cauliflower and spinach. Although those items are good for now, we do not know the impact the heat will have.

MARKET ALERTS



ASPARAGUS – ESCALATED

Obregon/Southern Baja production continues to be slow due to heat in the fields. Guanajuato is still low in production due to lack of rain and heat. Peruvian volume is still down due to cooler temperatures in the northern growing region of Trujillo. White asparagus continues to be out until mid-July. Markets are extremely active with the lack of production. 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 With the reopening of Mexico's imports to the US, there was a huge increase in the total pounds brought to market last week. Up 41% across all COOs, the industry



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 is extremely low due to the heat and lack of rain for the past several weeks coupled with the recent rain and hail. Supply is expected to be historically low for the next few weeks.



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 they can. Mainland Mexico is starting to transition from Guanajuato to Chihuahua but are also seeing delays. The new regions

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surpassed 60M pounds last week as California produced another enormous week at 21M pounds and accounted for 35% market share. Mexico closed out the week at 41% market share, which is impressive considering there were still a number of restraints and new protocols to adhere to. Peru came in 1.4M pounds under projections, which isn't a surprise as longer transit times delay reactions. Last week's arrivals came in at 10.5M pounds, and this week, the US is expecting almost 12M pounds to arrive. Ocean transit time is 3-4 weeks, so additional volumes ordered during the stoppage won't land for another week or two. Peak volumes will last through July & volumes will decline quickly through August. Last week, California closed at 21M pounds, over double what initial projections called for. With the continuation of elevated market price points and high demand to refill the supply chain, California went all out. Harvest will likely slow as 60M pounds will take the industry some time to move through. Pricing saw a decline on larger fruit but an increase on smaller fruit.



BELL PEPPERS (ALL COLORS) – ESCALATED

- **Green Bell Pepper:** Lighter supply in the east and west has spiked the market and 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 east, Georgia is done, and we will move to North Carolina and Tennessee while in the west the desert is done. Markets will be in the \$30+ range on all sizes with possible pro-rates expected. 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 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.



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 few weeks and increased pricing. The heat wave could potentially cause yellow bead, discoloration, pin rot and breakdown.



BRUSSELS SPROUTS – ESCALATED

Demand is outpacing available supply, and the market will continue to advance. Supplies in the VA category may see some shortages driven by quality issues and whole sprouts will see heavy prorates. Insect damage is still a chronic problem and elongated stem will also be present. This

are receiving quite a bit of rain and may get hit by this latest hurricane in the Caribbean Sea. Currently, they are seeing very tight markets on the following items: habanero, shishito, anaheim, serrano, poblano while tomatillo and jalapeno supplies are fair. In the west the summer production is not quite ready in Baja nor California and we do not expect to see improvements for the next two weeks in the west as well.



LIMES – ESCALATED

With 4th of July demand over, pricing has stabilized but is escalated. Over the past few months, lack of rain and high temperatures has impacted sizing and quality. With the recent rain, we will see slight improvement in sizing and quality starting in August.



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!



LETTUCE, ICEBERG VA – ESCALATED

Iceberg VA items are still escalated this week but should be off escalation next week as long as the heat wave does not affect the supplies.



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 & SNAP PEAS – ESCALATED

Guatemala production of snow peas and sugar snaps is almost non-existent due to weather issues the past 4-6 weeks. Peruvian snow peas are available in Miami. Markets are very active on all peas. Out of the west, snow peas continue to be very limited while sugar snaps supply remains steady.



TOMATOES – ESCALATED

EAST:

- **Round & Roma:** Markets have firmed up due to transition from Florida and South Georgia to the local regions in the Carolinas, Tennessee, Arkansas and Virginia. We expect to see active markets through July 4th.
- **Grape & Cherry:** Light supply expected for 2-3 weeks due to transition.

WEST:

- **Round and Roma:** 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 put upward pressure on FOB prices

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shortage will continue into July and then we should see some relief.



CABBAGE, RED – ESCALATED

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



CILANTRO – ESCALATED

The market is active and supplies remain tight due to field challenges such as burn, mildew and spotting.



GREEN BEANS - ESCALATED

Supply is lighter this week and quality hit and miss due to weather related pressure. We should see better supply in 1 week as we transition to newer growing regions.

- **Grape:** Lighter supply available as Sinaloa is done for the season and Baja is slow to start. We will also see higher demand from the east as the local transition is underway. Expect firmer markets through July 4th.
- **Cherry:** Steady supply and good quality available crossing through McAllen and Nogales.
- **Medley Grape:** Good supply available this week quality is good.
- **Tomato on the Vine:** Steady volume available this week.

WEATHER

SALINAS, CA

Wed 7/3 77° 55°F Partly Cloudy	Thu 7/4 77° 55°F Partly Cloudy	Fri 7/5 78° 55°F Sunny	Sat 7/6 79° 57°F Partly Cloudy	Sun 7/7 78° 57°F Partly Cloudy	Mon 7/8 75° 56°F Partly Cloudy	Tue 7/9 72° 56°F Partly Cloudy	Wed 7/10 73° 55°F Partly Cloudy	Thu 7/11 72° 55°F Partly Cloudy
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OXNARD, CA

Wed 7/3 71° 60°F AM Clouds/PM	Thu 7/4 69° 62°F Partly Cloudy	Fri 7/5 75° 65°F Partly Cloudy	Sat 7/6 77° 64°F Mostly Sunny	Sun 7/7 75° 63°F Partly Cloudy	Mon 7/8 75° 64°F Partly Cloudy	Tue 7/9 75° 64°F Partly Cloudy	Wed 7/10 76° 63°F Partly Cloudy	Thu 7/11 76° 64°F Partly Cloudy
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BAKERSFIELD, CA

Wed 7/3 112° 81°F Sunny	Thu 7/4 111° 79°F Sunny	Fri 7/5 110° 81°F Sunny	Sat 7/6 114° 83°F Sunny	Sun 7/7 113° 82°F Sunny	Mon 7/8 112° 81°F Sunny	Tue 7/9 111° 81°F Sunny	Wed 7/10 111° 81°F Sunny	Thu 7/11 112° 81°F Sunny
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JALISCO, NAYARIT

Wed 7/3 80° 66°F Thunderstorms	Thu 7/4 82° 67°F Thunderstorms	Fri 7/5 82° 68°F Scattered	Sat 7/6 80° 68°F Thunderstorms	Sun 7/7 79° 68°F Scattered	Mon 7/8 80° 68°F Scattered	Tue 7/9 80° 67°F Thunderstorms	Wed 7/10 78° 66°F Thunderstorms	Thu 7/11 79° 66°F Thunderstorms
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VIZCAINO, BAJA SUR

Wed 7/3 99° 71°F Partly Cloudy	Thu 7/4 101° 69°F Partly Cloudy	Fri 7/5 103° 73°F Partly Cloudy	Sat 7/6 102° 72°F Mostly Sunny	Sun 7/7 103° 71°F Sunny	Mon 7/8 103° 72°F Sunny	Tue 7/9 103° 73°F Sunny	Wed 7/10 102° 74°F Sunny	Thu 7/11 102° 75°F Sunny
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HENDERSONVILLE, NC

Wed 7/3	Thu 7/4	Fri 7/5	Sat 7/6	Sun 7/7	Mon 7/8	Tue 7/9	Wed 7/10	Thu 7/11
87° 68°F	90° 71°F	87° 70°F	87° 67°F	87° 68°F	86° 68°F	84° 67°F	83° 66°F	83° 66°F
Sunny	Isolated Thunderstorms	PM Thunderstorms	Scattered Thunderstorms	PM Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms	Scattered Thunderstorms