

MARKET REPORT

August 15, 2024

OVERVIEW

The impacts of Tropical Storm Debby have yet to be felt to their fullest, but we expect to see major damage to the agriculture industry up the eastern seaboard that could impact the local summer and fall programs. Items that could be impacted are local corn, bell peppers, hot peppers, squash, cucumber, stone fruit, berries, beans and fall items such as sweet potatoes and pumpkins. We are assessing this with our growers currently, but still tracking the storm as it moves northeast up the seaboard. Tomato markets are extremely short, particularly on rounds. We recommend subbing to romas or snacking tomatoes in case of a shortages or pro-rates. Both California's heat wave and rain in the east have impacted markets. Items crossing from Mexico are not enough to supply the nation's demand. The heat in the west has also impacted table grapes, corn, bell pepper, stone fruit, soft squash, beans and eggplant. We will need to watch the heat closely as it could dictate the direction of several markets for weeks. The current table grape supply and demand out of California is strong. Pineapples are very tight and expected to be tight through August; shippers are asking to be flexible on sizing to navigate the shortfalls. Limes are getting short as well; Mexico has adjusted harvesting due to the quality of the older crops while waiting for new crop to ramp up. Fruit will be lighter in color as we will see size distribution lean heavier to mid-range or larger. Small fruit will be short. With Mexico transitioning avocados mostly into Loca now, the size curve has shifted to favor 60s and smaller. Larger fruit and #2s will be in very tight supply for 4-6 weeks. Volumes out of Mexico are increasing, and crop estimates show enough fruit to supply the industry – but the transition from multiple COO's to one has historically brought volatility. Suggesting sizing down some programs for best costing and remaining cautious for more market spikes over the next few weeks. The weather in Salinas is finally cooling down and it is helping slow down growth. The growers have handled the heat very well and we have come out of the heat wave without too many major issues. Brussel sprouts continue to have a few supply issues, but things are looking up and we should see some relief soon. Endive, escarole, leeks, cilantro and fennel are still escalated and will stay that way until we see relief on supply issues. Green onions have escalated quite a bit. They are extremely tight and are suffering from the weather in their growing regions. Expect these to stay escalated throughout the month. Cilantro is also very tight. You can expect to see growers holding to averages on cilantro and green onions.

MARKET ALERTS



ASPARAGUS – ESCALATED

Southern Baja production has remained the same this week, still heavy on smaller sizes. Production in Guanajuato remains the same as well but will start wrapping up their season in two weeks, depending on heat in the fields. Peruvian volume continues to improve, but cooler temperatures are still slowing down growth of the bigger sizes. Southern Peru should start to harvest in about 10 days. White asparagus continues to be limited until November. Markets are less active on smalls and standards, more active on large, XL and jumbo.



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.



GREEN BEANS - ESCALATED

Supply remains light this week and quality hit and miss due to weather-related pressure.



GREEN ONIONS – ESCALATED

Due to the extreme heat we have seen over the past few weeks, the supplies have gotten very short on green onions. Price will be escalated next week, and many growers will be holding to averages. Supplies are very tight.



FENNEL, ANISE – ESCALATED

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



ENDIVE & ESCAROLE – ESCALATED

Still escalated and will stay that way until we see relief on those supply issues.



ARTICHOKES – ESCALATED

Overall supplies are still light, and quality is good.



AVOCADOS– EXTREME

Last week's overall volume increased again to 58.7M pounds across all COOs. Mexico continues to regain market share and now has 57% of the volume in the US. Next week, Mexico is projected



HOT PEPPERS – EXTREME

Supplies have been very slow to improve, however we are turning the corner somewhat as more volume crosses from Mexico and California production ramps up. In the east, we could see GAPS on hot pepper based on the track of Tropical Storm Debbie. We are watching this

to increase to 78% and account for 83% of all volume in two weeks' time. Peru officially started their decline with a 28% reduction in arrivals last week, and while California held on for last week, this week, the harvest numbers are showing a drop in volume. Last week's YTD imports had Peru up 20% in volume; this week, it has dropped to 13%. With the season's peak arrivals much earlier this year vs. last year, it's not an even comparison. Many programs are coming to an end as weekly arrivals to the US will continue to drop quickly. The total crop is estimated to bring 153M pounds to the US this season. California completed another very strong week at 12M pounds. Harvest levels are dropping this week, and next week's update will likely report a substantial drop in volume. The season's total volume is already close to surpassing 300M pounds.



COLOR BELL PEPPERS – EXTREME

Very light supply continues mostly due to the heat on the West Coast; however, we are slowly turning the corner on supply and quality. We are also seeing a bit more availability out of Canada and Mexico this week which will certainly offset the need to pull from the West Coast. We recommend subbing orange or green pepper over the next two weeks.



BOK CHOY – ESCALATED

Quality is good but supplies may be limited as we go into next week. The light supplies will keep the market escalated.



BRUSSELS SPROUTS – ESCALATED

The outlook for supplies is improving. You can still expect to see an escalated market on the bulk items. Quality is good. We should see some relief soon.



BROCCOLI FLORETS & CROWNS – ESCALATED

Quality and supplies have both improved, but we have seen some slowed growth due to the heat. The slowed growth has caused some supply issues, but things are improving. If you are sourcing broccoli florets out of Mexico, you may see some gaps in supplies. There are some Mexican growers who are not processing florets at all, so look for alternate sources for this week and possibly next week.



CILANTRO – ESCALATED

The market is active and supplies are very tight. High demand has continued. Growers should be able to cover normal volumes.

development closely and will provide updates as soon as possible. The shortest items this week are red freso and habanero.



LEMON (SMALL SIZES) – EXTREME

Light supplies continue on small sizes in California and will continue light until new crop District 3 Lemons get started towards the end of September. Import Lemons are arriving with small fruit available. Supplies 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!



LIMES – ESCALATED

The market continues to strengthen with higher pricing as yields decline on export quality fruit as we approach the end of the current growing cycle. We are seeing lighter colored fruit and a shift in sizing as availability on large sizes increases, with declining availability on small sizes. Quality will be hit and miss until we start new crop; defects will continue to be present (styler/skin breakdown and some decay). Pricing trends on all sizes will likely surge in August, as per seasonal trends. Prevailing demand will ultimately impact pricing, along with the presence of offshore fruit availability.



NAPA – ESCALATED

Quality and supplies are improving.



PARSLEY – ESCALATED

Supplies are improving quality is fair.



PINEAPPLE – ESCALATED

Supply was lighter this week and quality remains good. Sizing is going to be a challenge over the next few weeks, and we may need to be flexible on sizing as 5-6ct fruit is very short with 7-8's plentiful. The need to be flexible on sizing may be necessary to maintain consistent supply.



SNOW PEAS – ESCALATED

We have started to see some Guatemalan snow peas, but no sugar snaps. Peruvian peas are available in Miami, but the vessel was delayed last week. Markets are sluggish with more Peruvian peas available. Out of the west, the supply of snow peas is fair, but the supply of sugar snap peas will be limited due to weather-related issues.



TOMATOES – ESCALATED, EXTREME EAST:

- **Round: (EXTREME)** Supply is very short across all domestic regions; the heat wave in the west will continue to impact quality and overall yields while in the east continued rainfall will continue to cause harvest delays with limited availability for the market. Overall quality is fair and small fruit is limited.
- **Roma: (ESCALATED)** 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.

MARKET REPORT



WEST:

- **Round: (EXTREME)** Growers are dealing with quality and supply issues out of Jalisco; Baja is seeing a shortfall in supply combined with the high demand due to the USA supply falling short. We expect to see this imbalance for some time push FOB prices higher. We recommend subbing to romas to avoid supply interruptions.
- **Grape: (ESCALATED)** 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.

WEATHER

SALINAS, CA

| | | | | | | | |
|---|---|--|---|-------------------------------------|-------------------------------------|-------------------------------------|---|
| Thu 8/15 68° 53°F AM Fog/PM | Fri 8/16 69° 56°F Partly Cloudy | Sat 8/17 70° 55°F AM Clouds/PM | Sun 8/18 68° 51°F Partly Cloudy | Mon 8/19 71° 51°F Sunny | Tue 8/20 74° 54°F Sunny | Wed 8/21 71° 53°F Sunny | Thu 8/22 68° 54°F Partly Cloudy |
|---|---|--|---|-------------------------------------|-------------------------------------|-------------------------------------|---|

OXNARD, CA

| | | | | | | | |
|-------------------------------------|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|---|
| Thu 8/15 75° 60°F Sunny | Fri 8/16 74° 60°F Partly Cloudy | Sat 8/17 73° 60°F Partly Cloudy | Sun 8/18 73° 60°F Partly Cloudy | Mon 8/19 76° 61°F Sunny | Tue 8/20 77° 63°F Sunny | Wed 8/21 78° 62°F Sunny | Thu 8/22 75° 60°F Partly Cloudy |
|-------------------------------------|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|---|

BAKERSFIELD, CA

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|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Thu 8/15 97° 69°F Sunny | Fri 8/16 99° 69°F Sunny | Sat 8/17 97° 67°F Sunny | Sun 8/18 94° 67°F Sunny | Mon 8/19 96° 68°F Sunny | Tue 8/20 97° 69°F Sunny | Wed 8/21 95° 68°F Sunny | Thu 8/22 95° 67°F Sunny |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|

JALISCO, NAYARIT

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|---|---|---|---|---|--|--|---|
| Thu 8/15 82° 67°F PM Thunderstorms | Fri 8/16 82° 66°F PM Thunderstorms | Sat 8/17 79° 66°F Thunderstorms | Sun 8/18 81° 66°F Thunderstorms | Mon 8/19 81° 67°F Thunderstorms | Tue 8/20 82° 68°F Scattered Thunderstorms | Wed 8/21 84° 67°F Scattered Thunderstorms | Thu 8/22 84° 68°F Thunderstorms |
|---|---|---|---|---|--|--|---|

SAN QUINTIN, BAJA

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|---|---|---|---|---|---|--|--|
| Thu 8/15 77° 64°F AM Fog/PM | Fri 8/16 78° 64°F Partly Cloudy | Sat 8/17 78° 65°F Partly Cloudy | Sun 8/18 80° 67°F Partly Cloudy | Mon 8/19 82° 68°F Partly Cloudy | Tue 8/20 81° 69°F AM Fog/PM | Wed 8/21 81° 68°F Mostly Sunny | Thu 8/22 80° 68°F Mostly Sunny |
|---|---|---|---|---|---|--|--|

HENDERSONVILLE, NC

MARKET REPORT



| Thu 8/15 | Fri 8/16 | Sat 8/17 | Sun 8/18 | Mon 8/19 | Tue 8/20 | Wed 8/21 | Thu 8/22 |
|------------|---------------------|---------------------|---------------|--------------|--------------|--------------|---------------------------|
| 81° 65°F | 84° 68°F | 87° 65°F | 85° 64°F | 80° 61°F | 79° 59°F | 79° 61°F | 78° 61°F |
| | | | | | | | |
| Cloudy | PM Thunderstorms | PM Thunderstorms | Partly Cloudy | Mostly Sunny | Mostly Sunny | Mostly Sunny | Isolated Thunderstorms |