

MARKET REPORT

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August 22, 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. Tomato markets remain active on rounds despite more volume coming from the west. We still recommend subbing to romas to get more value for your dollar. We are still assessing the fallout from California's heat wave earlier in the summer; it will certainly impact the tail end of the grape and veg deals this fall as well as cause short falls on the tomato crop this coming month. 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. In the short term, the avocado Loca crop continues to favor 60s and smaller, and the market is closing in on a considerable spread between the 48s and 60s. Larger fruit and #2s will be in very tight supply for 4-6 weeks. We recommend sizing down programs where possible for the best cost. In September and early October, another crop transition will occur in Mexico from Flora Loca to Aventajada, and the complete wrap will be in California and Peru. It's best to remain cautious for more market spikes (especially on 48s & larger) over the next few weeks. In the long term, since July and the start of Mexico's fiscal year, the volume shipped to the US has been 40M pounds less than projections. The '24/25 crop from Mexico is estimated to be 2.5 billion lbs., compared to the '23/24 season, which closed at 2.3 billion lbs. Combine this 6-week deficit with the expected larger crop, and we can add a few million pounds to the weekly projections. In other words, shipments are behind in a larger crop year, and plenty of fruit will be available for promotions from late October through Q1 of 2025. The supply conditions from Guatemala have improved thanks to better weather patterns. Nevertheless, forecasts indicate that the weather may become more volatile in the upcoming 10 to 14 days, potentially leading to delays in harvesting, quality concerns, and reduced yields. The possible items affected are snow peas, sugar snap peas, french beans, and baby-peeled carrots. The weather in Salinas is looking good and despite a few commodities, we are seeing steady supplies and quality. Brussel sprouts continue to be tight, but relief should be coming soon. Endives, escarole, leeks, cilantro and fennel are still escalated but are trending down. Supplies are improving. 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. Cauliflower has now also moved from the watch list and is now escalated. There are no quality issues, but the supplies are short due to the aftereffects of the heat wave.

MARKET ALERTS



ASPARAGUS – ESCALATED

Southern/Northern Baja production has remained the same this week, still heavy on smaller sizes. The Central region has started to wrap up their production due to seasonality. Peruvian volume continues to improve, but mostly with smaller sizing. Southern Peru should start to harvest by the end of next week. White asparagus continues to 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. Quality is good.



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 – EXTREME

Due to the extreme heat we have seen over the past few weeks, the supplies have gotten very short on green onions. Prices remain escalated, 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.

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AVOCADOS – ESCALATED

Total harvest volume for last week came in similar to the week prior at 58.1M pounds across all COOs. Peru had the most notable change, coming 29% lower than the week prior. California continues to exceed expectations and produce well above projections. The Loca harvest is strong, with more & more orchards becoming available each week, and projections show enough availability to supply demand shifting back to their COO. Peru's decline in last week's arrivals signals the close of some programs. YTD volumes dropped to 8% over last year, and the same week of last year brought in 40% more volume. New fields came into production this season, which were planted 3-4 years ago, and without that added volume, the short Peru season would have been more extensive. If the weather is favorable during the off-season, Peru will return with much stronger volumes next season. California continues to disregard projections and closed last week with more volume than the week prior. While some operations are beginning to exit for the season, volume will continue to be available through most of September. YTD, California is up 43% vs. last year, and with a strong rainy season this past winter, trees are looking happy & healthy. The 2025 season is expected to be another strong year for California.



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 – EXTREME

The outlook for supplies is improving. The market is still escalated but is trending down as volume is increasing. Quality is good. We should see some relief soon.



BROCCOLI FLORETS & CROWNS – ESCALATED

Quality and supplies continue to improve. If you are sourcing broccoli florets out of Mexico, you may still see some gaps in supplies, but things are looking better across the board.



CILANTRO – ESCALATED

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



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 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, availability of large sizes will increase, 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.



TOMATOES – EXTREME

EAST:

- **Round: (EXTREME)** G Supply is slowly improving on greens and VR's across all domestic regions. With the additional volume in the east and more volume in the west, there seems to be more of a balance this week in the market. Good availability across the larger sizes with quality much better as well. We still recommend subbing to romas as we see volatility in the round market continuing through November.

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CAULIFLOWER – ESCALATED

Quality and color are very good but heat damage has caused a bit of a lighter supply, so the market has escalated to account for the short supply. We can expect the market to stay escalated into September.

WEST:

- **Round: (EXTREME)** Growers are dealing with quality and supply issues out of Jalisco. Baja is still seeing a shortfall on volume, however the flush in romas combined with more fruit available out of the domestic production has pushed pricing downward and softened the demand. We expect to see this imbalance continue through October where we will see flushes of fruit then tighten back up once again until November. We recommend subbing to romas to avoid supply interruptions.

CALIFORNIA:

- There will be more fruit available this week as growers break newer blocks and hopefully bring some stability to the market for the next few weeks.

WEATHER

SALINAS, CA

Thu 8/22	Fri 8/23	Sat 8/24	Sun 8/25	Mon 8/26	Tue 8/27	Wed 8/28	Thu 8/29
69° 56°F	71° 55°F	72° 52°F	75° 55°F	80° 56°F	79° 57°F	75° 55°F	73° 56°F
AM Clouds/PM	Partly Cloudy	Partly Cloudy	Sunny	Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy

OXNARD, CA

Thu 8/22	Fri 8/23	Sat 8/24	Sun 8/25	Mon 8/26	Tue 8/27	Wed 8/28	Thu 8/29
74° 59°F	72° 58°F	73° 58°F	74° 60°F	75° 60°F	74° 60°F	75° 59°F	72° 59°F
Partly Cloudy	Partly Cloudy	Sunny	Sunny	Sunny	Partly Cloudy	Partly Cloudy	AM Fog/PM

BAKERSFIELD, CA

Thu 8/22	Fri 8/23	Sat 8/24	Sun 8/25	Mon 8/26	Tue 8/27	Wed 8/28	Thu 8/29
95° 62°F	85° 60°F	83° 61°F	88° 65°F	96° 70°F	101° 73°F	103° 73°F	100° 72°F
Sunny	Sunny	Sunny	Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny

JALISCO, NAYARIT

Thu 8/22	Fri 8/23	Sat 8/24	Sun 8/25	Mon 8/26	Tue 8/27	Wed 8/28	Thu 8/29
77° 54°F	78° 54°F	81° 57°F	84° 60°F	86° 62°F	88° 65°F	89° 68°F	88° 67°F
Mostly Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny	PM Thunderstorms	PM Thunderstorms

SAN QUINTIN, BAJA

Thu 8/22	Fri 8/23	Sat 8/24	Sun 8/25	Mon 8/26	Tue 8/27	Wed 8/28	Thu 8/29
77° 65°F	77° 65°F	80° 64°F	80° 63°F	80° 64°F	80° 65°F	78° 65°F	78° 65°F
Mostly Sunny	Partly Cloudy	Mostly Sunny	Sunny	Partly Cloudy	Partly Cloudy	Mostly Sunny	Partly Cloudy

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HENDERSONVILLE, NC

Thu 8/22	Fri 8/23	Sat 8/24	Sun 8/25	Mon 8/26	Tue 8/27	Wed 8/28	Thu 8/29
77° 54°F	78° 54°F	81° 57°F	84° 60°F	86° 62°F	88° 65°F	89° 68°F	88° 67°F
Mostly Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny	PM Thunderstorms	PM Thunderstorms