

MARKET REPORT

August 29, 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 agricultural 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 currently assessing this with our grower partners. Tomato markets have eased back, and we are seeing some stabilization of supply and market this week. We will need to keep a close eye on this as transition from local deals in the east will be on the horizon and a potential shortfall in the west is expected as California may end early. 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. In the west, tighter supply available to market on Mushrooms; weather impacts and viral pressure have caused supply shortfalls across the region on all varieties. Growers are hoping this will improve over the next six weeks. 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. The Loca crop continues to trend toward avocado sizes 60 and smaller, with the market nearing a \$20 difference between the 48s and 60s. Supplies of larger fruit and #2s will be extremely limited for the next 4-6 weeks. We advise adjusting sizing programs where feasible to optimize costs. During weeks 39-43, it is prudent to be cautious regarding market fluctuations, as two transitions will take place: the Mexican harvest will shift from Flora Loca to Aventajada, and the complete wrap-up of both California and Peru will increase demand for Mexican produce. Over the long term, since July and the beginning of Mexico's fiscal year, shipments to the US have fallen short by 40 million pounds compared to projections. It is important to note that the 2024/25 crop from Mexico is projected to reach 2.5 billion pounds, an increase from the 2.3 billion pounds recorded in the 2023/24 season. When considering this 6-week shortfall alongside the anticipated larger crop, we can expect an increase of several million pounds in our weekly forecasts. In summary, shipments are lagging in a year with a larger crop, and there will be ample fruit available for promotions from late October through the first quarter of 2025. Overall, volumes for 2025 are anticipated to rise from Mexico, California, Peru, and Colombia. 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. Out of the Salinas Valley, we are seeing steady supplies and quality on most items, but we do still have some outliers. The Brussel sprouts market is no longer extreme but is still escalated. Supplies have improved a lot, and we should see the market continue to come down. Endives, escarole, leeks, cilantro and fennel are still escalated but are trending down. Supplies are improving. Green onions are at the extreme trigger. They are extremely tight and are suffering from the weather in their growing regions. Expect these to stay escalated for at least a few more weeks. Cilantro is also very tight. You can expect to see growers holding to averages on cilantro and green onions. Cauliflower has also reached the extreme trigger. Quality is okay but supplies are tight. Some growers are holding to averages. Broccoli is still escalated but is trending down. We should see relief soon. Spinach is not escalated yet, but is on the watchlist due to tight supplies. Some growers are prorating. Excessive heat in the San Joaquin Valley citrus growing areas have heavily affected supplies on the Valencia Orange crop. Most shippers are reporting potential "Gaps" in production of up to 2 to 3 weeks between the end of the Valencia crop and the beginning of the Navel season.

MARKET ALERTS



ASPARAGUS – ESCALATED

Southern/Northern Baja production has remained the same this week, still heavy on smaller sizes. The Central region continues to wrap up their production due to seasonality. Peruvian volume continues to improve, but mostly with smaller sizing. Southern Peru has started to harvest. Their production should be available in the next 7-10 days. White asparagus continues to be limited until November. Markets continue to be 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 – 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.

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ARTICHOKES – ESCALATED, EXTREME ON SOME SIZES

Overall supplies are still light. The market has hit the extreme trigger on the 12-24ct. Quality is good.



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.



AVOCADOS – ESCALATED

California hasn't reported their final harvest numbers from last week yet. Mexico however reported a 10% increase, while Peru is down 36%. The Loca harvest is strong in Mexico, with more & more orchards becoming available each week, and projections show enough availability to supply demand shifting back to their COO. Peru's volumes were under 5M pounds last week. Most programs are ending at this point, and those continuing for a few more weeks have their exit plan in place. The same week last year brought 11.6M pounds of Peru to the US, so while YTD numbers are comparable to last season, the final numbers will show a down season. 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.



HOT PEPPERS (FRESNO) – ESCALATED

Supplies in general are good across most varieties out of Mexico and California. In the east, we could see gaps on hot peppers based on the track of Tropical Storm Debby. The shortest item this week is Fresno Peppers.



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 remains strong as supplies continue to decline. In addition, extreme weather conditions in Mexico from high temperatures and humidity have affected quality, showing light coloring and excess skin breakdown. We expect to see defects continue to surge through the first half of September. Improvement is expected as we approach Q3 2024.



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.



MUSHROOMS - ESCALATED

Supply was lighter this week, particularly on Cremini's. In the west, growers from Canada to California are dealing with supply shortfalls across the entire category due to weather impacts as well as virus pressure. We expect to see improved availability in approximately six weeks.



BOK CHOY – ESCALATED

Quality is good, but supplies are still limited. The light supplies will keep the market escalated.



NAPA – ESCALATED

Quality and supplies are improving.



BRUSSELS SPROUTS – ESCALATED

The outlook for supplies is improving. The market is still escalated, but is no longer extreme and is trending down as volume is increasing. Quality is good. We should see more relief as supplies improve.



PARSLEY – ESCALATED

Supplies are improving quality is fair.



BROCCOLI FLORETS & CROWNS – ESCALATED

Quality and supplies continue to improve but some growers are still seeing lighter supplies, which is keeping the market slightly escalated.



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.



CILANTRO – ESCALATED

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



TOMATOES (ROUNDS) – ESCALATED

EAST:

- **Round:** Supply is stable this week on greens and VR's across all eastern producing regions. With the additional volume in the east and more volume in the west, there seems to be more of a

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SAN QUINTIN, BAJA

Thu 8/29 74° 63°F Mostly Sunny	Fri 8/30 75° 63°F Partly Cloudy	Sat 8/31 77° 64°F AM Clouds/PM	Sun 9/1 81° 65°F Partly Cloudy	Mon 9/2 80° 66°F AM Fog/PM	Tue 9/3 81° 68°F AM Fog/PM	Wed 9/4 82° 69°F Sunny	Thu 9/5 84° 69°F Sunny
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HENDERSONVILLE, NC

Thu 8/29 91° 66°F PM Thunderstorms	Fri 8/30 88° 65°F PM Thunderstorms	Sat 8/31 85° 65°F PM Thunderstorms	Sun 9/1 83° 65°F PM Thunderstorms	Mon 9/2 79° 64°F Scattered Thunderstorms	Tue 9/3 70° 60°F AM Showers	Wed 9/4 68° 57°F Showers	Thu 9/5 69° 57°F Showers
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