

MARKET REPORT

POWERED BY:



August 1, 2024

OVERVIEW

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. Currently the table grape supply out of California is strong as is demand. Quality is very good right now but can see long term effects of the heat in the central valley. Avocado markets saw a considerable increase this week. With Mexico having a hard time balancing between Old Crop and Loca, weekly availability and sizing profiles are shifting drastically due to a shortage of fruit. Overall, there has been a 40% decrease compared to the previous year because of the drought last year, as well as the shortage of Negra harvested during the recent shutdown, leading to a significant drop of very mature Negra fruit from the trees. Additionally, a new mandate was announced, raising the minimum dry matter required by APEAM to access the U.S. market from 21% to 24%, causing a significant reduction in the amount of fruit ready and mature enough for harvesting. This contributes to unforeseen needs to chase fruit in the field, and with demand exceeding supply, price points will continue to rise. Weekly changes are expected (both up & down) while all current COOs are adjusting their availability. 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. The weather in Salinas is trending a bit cooler as we move into August. Growers have done a great job navigating the heat and harvesting earlier in the day. Broccoli supplies are improving, but the hot weather slowed growth and therefore pricing is escalated. Brussel sprouts continue to have quality and supply issues that may not see relief until we get into late August. Endive, escarole, leeks, cilantro and fennel are still escalated and will stay that way until we see relief on the supply issues. Now that the temperatures have leveled out a bit, we will see increased supplies and quality across the board.

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 – EXTREME

Overall volumes are down another 10% vs. last week - with the weekly total closing at 50.8M pounds for the US. This week, Mexico had limited Loca orchards available due to higher dry matter requirements, and next week, it is likely to be



GREEN BEANS - ESCALATED

Supply remains light this week and quality 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. Out of the west, volumes are 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 they can. 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, they are seeing very tight markets on the following items: habanero, shishito, anaheim, serrano, poblano while

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similar. The restricted volume of new crop combined with Old Crop/Negra winding down resulted in an unexpected and drastic spike in field pricing for harvest opening this week. The market was strengthening last week, but the drastic jump caught most growers off-guard. Last week's arrivals were down 3%; while that isn't a significant adjustment, it is a signal that Peru's peak arrivals have passed. While some of the fruit has sized up, there's no change to total volume projections, and the season is expected to be mostly wrapped in late August. California's volumes will continue to be available through August, and we expect the season to begin 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. Seeing some poor quality, soft pepper and sun scald. Expect to see challenges continue over this next week. In the east with the transition color pepper is almost nonexistent which we hope to see improving supply over the next two weeks, but pro-rates and shorts are expected. There are some hot house peppers available from Mexico and Canada. We recommend subbing to orange or green pepper over the next two weeks.



BOK CHOY – ESCALATED

Supplies and quality are both looking good. Market is improving.



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.



BROCCOLI FLORETS & CROWNS – ESCALATED

There are also some reports of pin rot, but quality and supplies have both improved, but we have seen some slowed growth due to the heat.

CILANTRO – ESCALATED

The market is active and supplies are good but high demand has escalated the market.

CABBAGE, RED – ESCALATED

tomatillo and 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 as well.



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 2-4 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 however they cannot get consistent harvest days in due to the rain. Overall quality is fair.
- **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 price
- **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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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

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

WEATHER

SALINAS, CA

Thu 8/1	Fri 8/2	Sat 8/3	Sun 8/4	Mon 8/5	Tue 8/6	Wed 8/7	Thu 8/8
70° 55°F	70° 56°F	71° 55°F	70° 54°F	71° 55°F	76° 55°F	74° 55°F	71° 55°F
AM Clouds/PM	AM Clouds/PM	Partly Cloudy	Partly Cloudy	AM Clouds/PM	Partly Cloudy	Partly Cloudy	AM Clouds/PM

OXNARD, CA

Thu 8/1	Fri 8/2	Sat 8/3	Sun 8/4	Mon 8/5	Tue 8/6	Wed 8/7	Thu 8/8
70° 60°F	75° 60°F	73° 60°F	74° 61°F	76° 63°F	77° 63°F	75° 62°F	73° 61°F
AM Fog/PM	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

BAKERSFIELD, CA

Thu 8/1	Fri 8/2	Sat 8/3	Sun 8/4	Mon 8/5	Tue 8/6	Wed 8/7	Thu 8/8
105° 78°F	104° 78°F	106° 79°F	107° 79°F	107° 79°F	107° 79°F	107° 78°F	105° 76°F
Mostly Sunny	Mostly Sunny	Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny	Sunny

JALISCO, NAYARIT

Thu 8/1	Fri 8/2	Sat 8/3	Sun 8/4	Mon 8/5	Tue 8/6	Wed 8/7	Thu 8/8
82° 66°F	84° 68°F	83° 68°F	84° 68°F	82° 68°F	81° 68°F	81° 68°F	82° 68°F
PM	PM	Scattered	PM	Scattered	Thunderstorms	Thunderstorms	Scattered
Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms			Thunderstorms

HENDERSONVILLE, NC

Thu 8/1	Fri 8/2	Sat 8/3	Sun 8/4	Mon 8/5	Tue 8/6	Wed 8/7	Thu 8/8
83° 68°F	90° 68°F	85° 65°F	86° 66°F	88° 67°F	87° 68°F	85° 67°F	85° 67°F
PM	PM	PM	PM	Mostly Sunny	PM Showers	PM Showers	PM
Thunderstorms	Thunderstorms	Thunderstorms	Thunderstorms				Thunderstorms