

MARKET REPORT

POWERED BY:



April 4, 2024

OVERVIEW

We will continue to experience shortfalls on several winter veg items out of Mexico and Florida due to the impacts of El Niño with the shortest item hot pepper where markets are at record highs for this time of year across the entire category. We will see the dip in tomato production continue across the entire tomato category as transition from winter to spring crops get underway. Some growers are already seeing losses in the newer plantings due to pollination issues and lack of yield resulting from late rains and cooler than normal seasonal average temps. We are hoping to see some improvement in the markets 3-4 weeks from now. In Mexico, the government is scheduled to shut water off to the Sinaloa agriculture community this month making the possibilities of shortages a reality. Overall, the current supply remains at record lows and until we see some consistency in weather, this will only continue to hamper a recovery. The table grape market is extremely short; late vessels and delays continue to push pricing to record highs with very little supply available and we expect this to continue for several weeks. Avocado inventories in the U.S. are robust, surpassing expectations from the previous week. The upcoming 10 days will involve adjustments and realignments, leading to a swift transition into Cinco promotions. In the short term, there is an even distribution of inventory across all sizes, providing an opportunity to stimulate demand. The most attractive deals will be on 48s in the immediate future. Looking ahead, the price of 60s remains higher than 48s according to USDA data. Shifting more demand towards 48s presents the best chance for market stability in the long run. Anticipate higher price points this spring compared to last year. California's volume is increasing rapidly due to strong markets, resulting in favorable returns for growers. Volumes exceeded projections last week, with similar numbers expected this week. With markets expected to remain strong throughout spring, California is likely to have an early peak season followed by an earlier end. Peru anticipates importing 220M pounds to the US this year, with peak arrivals expected from July to August. Harvesting will also be affected by the upcoming Easter holiday. Expect lower volume next week, but production should return to normal levels within 10 days. In California and Arizona, transition from Yuma to Huron/Salinas continues on carton commodities. Processed items will start in Salinas the 15th or the 21st depending upon the shipper. Markets are softening on lettuce and romaine but expect pricing to stay escalated through transition. We anticipate very volatile markets to continue many items through transition to Salinas for the summer. In California, we are seeing a significant size shift on lemons as small fruit is getting exceptionally short with reports that 70-80% of the crop is running 95's/115's and larger with no relief in sight until imports start in late June.

MARKET ALERTS



AVOCADOS – ESCALATED

The harvest from the previous week concluded with a total of 54.6M pounds, which decreased 16% compared to the previous week. However, it exceeded the projected volumes by 10M pounds. The forecast for this week's harvest is set at 69M pounds, and the initial indications at the beginning of the week support this estimate, but demand is lower. The market experienced an increase in prices due to the availability of smaller-sized fruit over the past week. The size curve of the harvested fruit has been favoring larger fruit for the past few weeks, and this trend is expected to continue until mid-April. The Normal crop is maturing, and the dry matter content is averaging between 33-34%.



ASPARAGUS – ESCALATED

Asparagus production continues to decrease from Mexico due to seasonality. Markets will be extremely active until Peru increases volume during the third or fourth week in April. White asparagus will remain very limited from Peru until mid-June due to seasonality and shed maintenance.



GREEN ONIONS – ESCALATED

Market is steady at higher levels, quality is good. We should start to see improvement in supplies.



ORANGES (MEDIUM & SMALL SIZES) – EXTREME

Small size oranges continue to be in extremely short supply and will remain in short supply for the remainder of the navel season and into the valencia season. In addition, forecasted rain in the orange growing regions in central California will lead to delays in harvesting and trucks getting out timely. Early Valencia's are starting in a very light way with sizing trending large as well. Flexibility on sizing and loading areas will be mandatory in order to get orders filled!



POTATOES – ESCALATED

The market continues to feel stable on all sizes and grades for the moment, except for 40ct potatoes. While potatoes should remain plentiful, we do anticipate 40ct potatoes will continue to command a premium more often than not until the end of the crop. They have continued to be available for mixers, but we are not seeing very much straight load availability, or even availability in heavy volume. There will be some lots that are better than others throughout the season, but this

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BROCCOLI – ESCALATED

The Yuma broccoli season continues to wind down with below normal volume from Salinas. Market continues to strengthen.



CABBAGE, RED – ESCALATED

Quality is good although supplies continue lighter. Market is steady.



CARROTS (JUMBOS, MEDIUMS & CELLOS) – ESCALATED

Steady supplies continue with good quality. Shippers still have light volume on dumbos out of California.



TABLE GRAPES – EXTREME

Grape availability remains at record lows on all varieties, and we expect this to continue through the month with elevated pricing on market business. There is more fruit on the water and scheduled to arrive and conditions are expected to slowly improve over the next 2 weeks. We expect firm markets until the Mexican crop begins in approximately 5-6 weeks. Quality is fair and we are still asking for subs to black grape since they seem to have the best quality and legs over the red and greens.



LETTUCE (ICEBERG, ICEBERG BLENDS, ROMAINE, ROMAINE HEARTS, ROMAINE HEARTS BLENDS) – ESCALATED

- **Iceberg:** We continue to see a wide range of quality, head size and weights. Market pricing appears to be trending slightly lower. However, industry supplies are still forecasted to remain below normal for this time of year.
- **Romaine, & Romaine Hearts:** Romaine and romaine heart production is steady. Demand continues to show strength with good to fair quality, markets remain strong. Many shippers have finished in Yuma for the season, so we will see supplies out of both Yuma and Salinas through next week.



HOT PEPPERS – ESCALATED

Record low supplies and higher demand are pushing prices higher across the entire category. Overall, the quality is good, but we expect to see a large imbalance on supply through the month of April. Once some of the newer growing areas begin production, we hope to see some relief however in the meantime we will continue to see the potential for shorts and escalated pricing.



ONIONS - ESCALATED

The onion market remains strong, but for a third consecutive week, it did not increase. White onions remain nonexistent in Idaho/Oregon, and extremely tight in Washington. We did begin to see a few more Mexican whites, and even a handful of yellows begin to cross in a small way this week. This would line up with the reports that Mexico has quit purchasing the domestic supply out of the

does appear to be a theme moving forward. Because of this, we do anticipate that we may see a gap between 40ct/50ct and the rest of the sizes. The good news is that food service sized cartons in the middle size range (60/70/80) appear to be plentiful. Unfortunately, at their current return levels on 90s/10s/2s and retail bags, growers are losing quite a bit of money. We will see Norkotahs wind down around the middle of Q2 and will be left exclusively with Burbanks (around the end of April). This will continue until new crop Norkotahs begin shipping fresh from the field in August. In general, there are no major headwinds expected in the potato market during Q2.



SNOW & SNAP PEAS – ESCALATED

Guatemala's production is excellent on snow peas, but still low on sugar snaps due to less acreage in production and lack of rain. A steady supply of both snows and sugar snaps out of the west.



TOMATOES (ROUNDS & SNACKING) - ESCALATED

Tomatoes: East Coast

- **Round & Roma Tomatoes:** Markets remain escalated as weather last week caused delays and yield loss in the older crops throughout Immokalee, which has put extra pressure on the market during Easter demand. We expect higher markets through the 3rd week of April when we expect to see more volume out of the newer areas. Quality will be hit and miss over the next week.
- **Cherry Tomatoes:** We expect to see very short crops, escalated pricing, and potential for pro-rates continue through March.

Tomatoes: Mexico

- **Round & Roma Tomatoes:** With the ongoing issues with the Winter Mexican tomato season; we are now in the Spring decline out of Sinaloa, combine this with a very slow to the Sonoran season we are seeing high markets and short supply once again. The Mexican Government is slated to start reducing water allocations in Sinaloa which will force some farmers to cease operations prematurely. We will see some supply GAPS until Sonora can effectively start harvesting fruit. Currently, they are behind and already projecting below normal yields; ongoing cold weather combined with late rains have hurt pollination and maturation of the fruit and plants. We hope to see some of this improve over the next 4 weeks as other growing regions throughout Mexico are scheduled to ramp up and assist in some of the current shortfalls but that is still weeks away.
- **Cherry Tomatoes:** Crops out of Mexico are slowly improving and we are seeing a downward trend on price as the volume increases. Unfortunately, with the imbalance on the east coast due to less acreage planted and weather-related pressure, markets remain at record highs. We will see this continue until Florida can produce volume consistently.

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Pacific Northwest as well. We are anticipating that in the next 1-2 weeks, Mexico will start bringing across a large enough crop to help ease the supply concerns in the Pacific Northwest. We should see Texas onions start about the first or second week in March as well. For the first time in a long while, there is some relief around the corner. Growers in the Northwest continue to experience a decrease in packouts with each passing week that the onions sit in storage. While this is often a recipe for the market to increase, we are seeing more growers want to run higher volumes of product at the current FOB levels, and not risk further shrink and claims as we get later into the season. If there are no weather events or unexpected supply interruptions, we feel there is a good chance that we have hit the ceiling on the current market for the time being. This can change very quickly should a weather event occur down in Texas/Mexico. California has experienced quite a bit of rain, and summer onion growers are becoming bullish that this may an effect on yields this Summer. However, it is still too early to tell how supply and FOBs will behave from May and beyond.

- **Medley Grape Tomatoes:** Lighter volume this week with fair Quality.



WATERMELON - EXTREME

Demand exceeds supply conditions as spring arrives. Overall quality is good out of Mexico, and the offshore season is done. We expect to see very high demand and low supply through April.

**WEATHER:
YUMA, AZ**

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| Thu 4/4 86° 54°F Sunny | Fri 4/5 67° 47°F Partly Cloudy/Wind | Sat 4/6 71° 48°F Sunny | Sun 4/7 77° 52°F Sunny | Mon 4/8 76° 56°F Sunny | Tue 4/9 83° 57°F Sunny | Wed 4/10 90° 61°F Sunny | Thu 4/11 94° 66°F Sunny | Fri 4/12 95° 65°F Sunny | Sat 4/13 93° 63°F Sunny |
|------------------------------------|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|

OXNARD, CA

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|--|--|------------------------------------|--|------------------------------------|------------------------------------|-------------------------------------|---|---|---|
| Thu 4/4 59° 46°F AM Clouds/PM Sun/Wind | Fri 4/5 57° 42°F AM Clouds/PM Sun/Wind | Sat 4/6 61° 44°F Sunny | Sun 4/7 61° 46°F Partly Cloudy | Mon 4/8 66° 48°F Sunny | Tue 4/9 70° 51°F Sunny | Wed 4/10 71° 53°F Sunny | Thu 4/11 70° 55°F Partly Cloudy | Fri 4/12 72° 54°F Partly Cloudy | Sat 4/13 70° 55°F Partly Cloudy |
|--|--|------------------------------------|--|------------------------------------|------------------------------------|-------------------------------------|---|---|---|

CULIACAN, SINALOA

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|------------------------------------|--|--|--|-------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|--|--|
| Thu 4/4 89° 55°F Sunny | Fri 4/5 88° 55°F Partly Cloudy | Sat 4/6 90° 56°F Partly Cloudy | Sun 4/7 94° 56°F Partly Cloudy | Mon 4/8 88° 55°F Cloudy | Tue 4/9 92° 52°F Sunny | Wed 4/10 91° 54°F Sunny | Thu 4/11 95° 57°F Sunny | Fri 4/12 95° 59°F Mostly Sunny | Sat 4/13 95° 60°F Mostly Sunny |
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JALISCO, NAYARIT

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| Thu 4/4 80° 50°F Partly Cloudy | Fri 4/5 81° 55°F Mostly Sunny | Sat 4/6 80° 56°F Partly Cloudy | Sun 4/7 85° 56°F Partly Cloudy | Mon 4/8 83° 55°F Partly Cloudy | Tue 4/9 82° 55°F Partly Cloudy | Wed 4/10 82° 57°F Partly Cloudy | Thu 4/11 83° 60°F Partly Cloudy | Fri 4/12 83° 60°F Mostly Cloudy | Sat 4/13 84° 58°F Partly Cloudy |
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VIZCAINO, BAJA SUR

| Thu 4/4 | Fri 4/5 | Sat 4/6 | Sun 4/7 | Mon 4/8 | Tue 4/9 | Wed 4/10 | Thu 4/11 | Fri 4/12 | Sat 4/1 |
|------------|---------------|------------|---------------|---------------|------------|------------|------------|------------|----------|
| 88° 49°F | 75° 42°F | 70° 45°F | 79° 47°F | 74° 47°F | 76° 52°F | 83° 59°F | 87° 60°F | 88° 61°F | 87° 59 |
| | | | | | | | | | |
| Sunny | Partly Cloudy | Sunny | Partly Cloudy | Partly Cloudy | Sunny | Sunny | Sunny | Sunny | Sunny |

IMMOKALEE, FL

| Thu 4/4 | Fri 4/5 | Sat 4/6 | Sun 4/7 | Mon 4/8 | Tue 4/9 | Wed 4/10 | Thu 4/11 | Fri 4/12 | Sat 4/1 |
|--------------|------------|------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| 82° 55°F | 81° 56°F | 81° 55°F | 85° 60°F | 87° 64°F | 88° 68°F | 90° 70°F | 90° 70°F | 88° 68°F | 88° 67 |
| | | | | | | | | | |
| Mostly Sunny | Sunny | Sunny | Partly Cloudy | Partly Cloudy | Mostly Cloudy | Partly Cloudy | Partly Cloudy | Mostly Cloudy | Mostly Clc |