

Overview

We continue to experience shortfalls on several winter veg items out of Mexico and Florida due to the impacts of El Niño, with shortest items being slicer cucumber and colored peppers. Pro-rates and further price escalations may happen on these items this week as supply gets critically low. Low yields continue to push the prices of red bell peppers to record highs for this time of year. Hot pepper markets are getting shorter this week with low volume and moderate demand continuing to put upward pressure on pricing.


























We will see a dip in production on the entire tomato category as transition from winter to spring crops get underway. Improvement on supply should begin in 10 to 12 days. Overall, the current supply remains at record lows and until we see some consistency in weather, this will only continue to hamper recovery. The table grape market is extremely short with 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.

Easter is on the horizon and in Mexico, most harvesters will most likely be off between March 27 - April 1. Please make sure you are planning orders and managing inventories accordingly. The next 10 -14 days at the border may get very active and we could see delays and shorts if orders are not planned accordingly.

The market continues to be unstable as demand is abnormally high to secure enough volume prior to Holy Week. The size curve continues to peak in the 48s and larger, while demand is strongest in the 60s and smaller. Pricing spreads between sizes are quickly narrowing, and a shift in demand to larger fruit would have a meaningful effect on reaching our beloved market stability. Harvest has been and is expected to remain strong through April. Short-term outlook, harvest has been strong, and supplies are expected to remain readily available through Easter. There's a push to move additional larger sizes, and smaller fruit will remain at a premium. Long-term outlook, there's only one week reprieve between Easter and Cinco de Mayo for the market to shift to week 15. There is not a lot of time for a market shift, and it is best to plan for continued elevated market levels and a need to move additional larger sizes to keep supply & demand balanced.

Weather is warming up in Guatemala and production is improving on french beans, baby zucchini, snow peas and sugar snaps. In California and Arizona, early transition is happening with several shippers starting to ship out of Huron and Salinas. Markets remain very active on lettuce and leafy greens and are expected to stay strong through transition. We anticipate very volatile markets to continue on many items through transition to Salinas for the summer.

MARKET ALERT

EXTREME	 Table Grapes				 Oranges (small sizes)				 Bell Pepper (Red, Orange & Yellow)				 Watermelon			
	 Avocados				 Cabbage Red				 Carrots				 Cucumber			
ESCALATED	 Onions				 Potatoes				 Snow Peas				 Tomatoes Rounds & Snacking			
	 Limes				 Lettuce Iceberg, Romaine, Romaine Hearts, Iceberg/Romaine Blends, Green Leaf, Red Leaf, Boston/Butter Lettuce, Better Burger											
WATCHLIST	 Asparagus				 Artichokes				 Broccolini				 Broccoli			
	 Cauliflower				 Fennel				 French Beans				 Ginger			
	 Green Onion				 Green Pepper				 Lemons							

FRUITS & VEGETABLES

Avocados: ESCALATED Last week's harvest closed at 68.7M pounds, up 15% from the previous week and significantly over projected volumes. The industry continues to work toward being fully stocked through Holy Week, which is already next week! We are currently harvesting week 12, and even with Monday being a holiday & no harvest out of Mexico, the opening harvest level was very high. Projections for this week call for 59.9M pounds, and we'll likely hit those numbers. Next week, new harvested volumes are expected to drop by 33%, and although that is a significant number, the pipeline has been filling up for the past several weeks, and no disruptions are expected.

Bananas: We are seeing some delays at the ports, but we are not anticipating any supply issues. In some rare cases, fruit may be a color stage behind in ripening. Overall fruit is showing great overall quality.

BERRIES

Strawberries: Strawberry supplies continue to increase out of California. Production is gradually increasing weekly, with significant surges anticipated as we move into more stable, dry weather conditions. The fruit currently exhibits good sheen, shape, and firmness, with a decent size and coloring between 90%-100%. Supplies out of Florida are beginning to decline, and the Florida season is roughly 1-2 weeks from finishing up for the season due to seasonality.

Blackberries: Volumes are steady, and the quality is good overall, with some red cell and leaky fruit.

CALIFORNIA CITRUS

Oranges: EXTREME ON SMALL SIZES Small size ranges 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. *FLEXIBILITY ON SIZING AND LOADING AREAS WILL BE MANDATORY IN ORDER TO GET ORDERS FILLED!*

Lemons: WATCHLIST We continue to see a **SIGNIFICANT** decrease in small size lemons as the district 1 growing areas get started due to extended periods of rain over the last few months. Many shippers are starting to request flexibility on sizing to get orders filled so plan accordingly and be sure all orders are placed in advance.

Pineapples: We are seeing lighter volume and some delays at the ports causing a few shortages. We should see improvement after the Easter holiday, and quality remains good.

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, so we expect conditions to improve over the next 10-12 days. We are seeking subs from green and reds to black grapes in some circumstances to cover program business. Overall quality is good.

Raspberries: The quality is very good with nice size and firmness. Conventional and organic volumes are steady.

Blueberries: This is the last week of receiving Chilean fruit. Due to seasonality, Florida will harvest for the next few weeks before the season ends. Georgia's blueberry industry started in a small way, but production is increasing. The quality is very good.

Limes: ESCALATED Market is stronger with higher pricing as the Easter holiday approaches. Expect markets to strengthen as labor becomes scarce.

Grapefruit: California Grapefruit is being packed in Riverside and the central valley.

Imports/Specialties: Domestic mandarins, pummelos, and blood oranges are available in the central valley of California.

WEST COAST LETTUCE

Iceberg: ESCALATED Iceberg lettuce is currently transitioning to the Huron growing region, while many shippers will continue shipping from Yuma for the next 2 weeks with a wide range of quality, head size and weights. We are expecting industry supplies to remain below normal for this time of year with elevated markets forecast to continue through transition.

Romaine, Romaine Hearts: ESCALATED Romaine and romaine hearts are still challenging with the Salinas growing season starting next week, in a light way, with limited supplies left in the Yuma growing region. Demand remains strong

EASTERN AND WESTERN VEGETABLES

Green Bell Pepper: WATCHLIST Lighter supply and escalated pricing expected over the next 10 days. Lower yields combined with a very firm and short color pepper market continues to push pricing higher. Quality is good.

Color Bell Pepper: EXTREME Very light supply crossing through Nogales and McAllen this week. We expect to see pro-rates and escalated pricing for the next several weeks due to low yields, maturity issues and lack of color preventing a stable harvest.

Mini Sweet Pepper: Supply will be hit and miss this week loading in Nogales.

Mixed Chili Pepper: Lighter supply and higher demand are pushing prices higher across the entire category. Overall, the quality is good. We expect active markets through Easter week and recommend pre-booking orders and managing enough inventory to keep supplied through Easter. In Mexico, harvesters will be off approximately March 27-April 1 and we could see gaps due to no harvest.

Eggplant: Very strong Easter demand is keeping markets active, but supply is stable. Overall quality is good.

MELONS

Cantaloupe: Except for some activity on smaller sizes, the cantaloupe market has remained fairly stagnant due to lower demand the past few weeks. We are anticipating an uptick in demand as we approach Easter followed by strong retail promotions in place post-holiday. Increased pulls on larger sized fruit will begin by later this week and remain very active over the next three weeks. Recent sizing has been primarily 9ct as the percentage of jumbo fruit has settled after peaking last week in addition to a good supply of 12s available. Quality continues getting better each week as we are seeing even more high color fruit on recent arrivals. Brix levels are steady in the 12- 15% range with an excellent flavor profile that resembles summertime fruit.

which will continue to drive this market. Look for a wide range in quality, availability, and price for the next few weeks through the transition to the Salinas Valley.

Green Leaf, Red Leaf, Butter: ESCALATED Available supplies will vary for each growing region with a wide range in quality as Salinas is starting and Yuma is finishing up for the season. The market is still trending much higher than normal and will continue into next week with the market on leaf items expected to be escalated through the coming weeks during transition.

Slicer Cucumbers: ESCALATED We are finally seeing more volume crossing from Mexico crossing through McAllen and Nogales combined with the new crop out of Florida take pressure off the supply. Offshore fruit is winding down rapidly and should wrap up soon. South Georgia is about one month out. Overall quality is fair, but we still recommend subbing to english cucumbers if necessary.

English Cucumbers: Promotable volume crossing from Mexico and markets were firmer this week due to lighter supply of slicer cucumber. Quality is good.

Pickles: Lighter supply available out of Nogales and quality is good.

Green Beans: Steady supply and good quality available out of Florida and Mexico this week.

French Beans: WATCHLIST Production is improving in Guatemala, but it is not quite back to normal yet. Steady supply and improved Quality of conventional French beans out of Mexico.

Zucchini/Yellow Squash: Shipping out of Florida, McAllen, and Nogales. Good supply and quality available in general. Best quality continues to be on zucchini while yellow squash, with its tender skin far more vulnerable to imperfections, seems to remain very light in supply.

Honeydew: With limited honeydew crossings currently through Nogales western demand has started to trickle back to the east and has assisted movement on this side. Current sizing had been primarily 5/5Js from both Guatemala and Honduras production, but we are beginning to see a slight shift with a few more 6s by end of the week arrivals. Quality of the honeydews has been very good especially on second cycle production from Guatemala.

Watermelon: EXTREME Demand exceeds supply conditions as spring arrives. Overall quality is good out of Mexico as well as offshore. Offshore will be ending this week pushing demand higher fruit out of Mexico.

HERBS

Fresh herbs remain steady this week. Dill, Thyme, and Oregano will turn purple due to the cold, and some locations have this issue. Although the herbs are fine to cook with, their appearance will throw you off.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Marginal	USA
Basil	Steady	Steady	USA/MEX
Opal Basil	Steady	Steady	USA
Thai Basil	Steady	Steady	USA/MEX
Bay Leaves	Steady	Steady	USA/COL
Chervil	Limited	Limited	USA
Chives	Steady	Steady	MEX
Cilantro	Steady	Steady	USA/MEX
Dill	Steady	Steady	USA/MEX
Epazote	Steady	Steady	MEX
Lemongrass	Steady	Steady	USA
Marjoram	Steady	Steady	USA
Mint	Steady	Steady	USA
Oregano	Steady	Steady	USA
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Steady	USA
Sage	Steady	Steady	USA
Savory	Steady	Limited	USA
Sorrel	Steady	Steady	USA
Tarragon	Steady	Steady	MEX
Thyme	Steady	Steady	USA
Lavender	Steady	Steady	USA
Lemon Thyme	Steady	Steady	USA
Lime Leaves	Steady	Steady	USA

MIXED VEGETABLES

Artichokes: WATCHLIST Fresh herbs remain steady this week. Dill, Thyme, and Oregano will turn purple due to the cold, and some locations have this issue. Although the herbs are fine to cook with, their appearance will throw you off.

Arugula: Lighter supplies continue.

Asparagus: WATCHLIST Asparagus production is decreasing due to growers not harvesting fields, as market pricing has decreased significantly over the past few weeks. Markets are much higher due to the lower yields. Due to seasonality and shed maintenance, white asparagus will be very limited from Peru until mid-June.

Bok Choy: Good supplies with good quality.

Broccoli/Broccoli Crowns: WATCHLIST The Yuma broccoli season is winding down with significantly below normal volume from Salinas over the next two weeks. Market continues to firm up.

Broccolini and Sweet Baby Broccoli: WATCHLIST Lighter than normal volumes continue in Salinas. Mexico has steady volume but is experiencing some brown bead and flowering.

Brussels Sprouts: Some shippers are reporting lighter supplies, but overall supplies and quality remain good as Mexico and the Oxnard growing regions are in full production.

Carrots: (JUMBOS, MEDIUMS and CELLOS) ESCALATED We have seen a slight increase in supplies with very good Quality now that the Desert season has gotten started although sizing has gotten smaller and Jumbos supplies are light. Market is steady.

Cauliflower: WATCHLIST The Yuma season is winding down with the market trending higher. Supplies in Salinas are increasing but remain below normal volume during transition. Market is stronger.

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 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.

Celery: Good quality and supplies. Market is steady.

Cilantro: Cilantro supplies, and quality continue to improve.

Corn: Good supply available out of Florida and Mexico this week. Overall Quality is beginning to improve.

Fennel: WATCHLIST Market is steady. Quality and supplies are good.

Garlic: The 2023-2024 California Garlic is in full swing. Quality is good.

Ginger: WATCHLIST Supplies and market are steady.

Green Cabbage: Supplies are steady with very good Quality. Demand is good.

Green Onions: WATCHLIST We are still seeing good quality, but supplies are expected to decrease over the next 2 weeks for the Easter Holiday and labor becomes scarce. Look for market to get stronger until after the holiday.

Mushrooms: Stable supply and good quality available.

Napa Cabbage: Supplies are good with good quality.

Parsley (Curly, Italian): Supplies and Quality are good, market is steady.

Rapini: Quality is good, supplies continue light. Market is strong with supplies continuing light through next week.

Red Cabbage: ESCALATED Quality is good although supplies continue lighter. Market is steady.

Spinach (Bunched & Baby): Supplies are lighter as growers are still working through the effects of the rain. Market is steady.

Spring Mix: Supplies are lighter as growers are still working through the effects of the rain. Market is steady.

Snow Peas and Sugar Snaps: ESCALATED Guatemala's production of snow peas and sugar snaps is increasing. Snow peas are in steady supply out of Mexico, and the Sugar snaps supply is improving.

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.

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 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.

TOMATOES: EAST COAST

Round Tomatoes: **ESCALATED** Markets remain slightly escalated but improving with spring harvest just around the corner. Quality and supply are good.

Roma Tomatoes: Stable supply and good quality available.

Grape Tomatoes: **ESCALATED** Improving supply, still escalated slightly in price, better yields expected over the next three weeks. Quality is excellent.

Cherry Tomatoes: **ESCALATED** We expect to see very short crops, escalated pricing, and potential for pro-rates continue through March.

TOMATOES: MEXICO

Round Tomatoes: **ESCALATED** Good Quality available, we are seeing a decline in supply out of Sinaloa and will transition to Sonora over the next 10-12 days. Mid-Sized fruit is short this week.

Roma Tomatoes: Excellent quality and supply crossing through McAllen and Nogales.

Grape Tomatoes: Steady supply and good Quality available crossing through McAllen and Nogales.

Cherry Tomatoes: **ESCALATED** 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.

Medley Grape Tomatoes: **ESCALATED** Lighter volume this week with fair quality.

Tomato on the Vine: Steady volume available this week.

APPLES

Apples: Washington State Apples remain in good promotable volumes on most varieties. Quality has been very good and is expected to remain good for the foreseeable future. Sizing is trending toward smaller sizes, 100s and smaller. Gala apples are seeing roughly one million fewer packages than last year.

Pears: Availability is down on Anjou, and Bartlett is expected to see a rise in markets over the coming weeks.

STONE FRUIT

Pomegranates: Early Granada varieties available in the west.

Persimmons: Fuyu and Hachiya varieties available.

DAIRY:

Details are still sparse but there is some type of unidentified disease that is hitting dairy herds primarily in Texas, but we've heard reports of it in the UMW too. We've heard it reduces production anywhere from 5-15% and about 10% of the infected cows end up being culled. It's not clear how many farms have been infected or what percent of the cows on the farms end up infected (rumor suggests 10 -15% of the cows). So, if 10% of the cows catch it and we cull 10% of them, it is a 1% hit to the herd and potentially another 1% hit on production per cow if this disease hits all farms in the U.S. Whether this turns out to be something or not, it gave people a reason to buy after we saw sharply lower.

BEEF MARKET:

Cattle prices continue to move higher. Last week's trade occurred at \$1.87 and another \$1-2 higher is likely this week. The choice cutout gained \$4.17 cwt and select was up \$5.43 cwt. The higher cutouts improved packer margins, but they are still losing \$40 per head. Feeders are in no hurry to push cattle out because the cost of gain is much lower due to declining feed costs. One result of this extra days on feed is weight gain. Cattle are 20lbs heavier YOY helping to offset some production declines resulting from a lower overall harvest. Many have pointed out beef imports are pouring into the US as the rest of the world seeks to fill the gap left by declining US beef production. In the USDA Import Report below you will see imports are up 19% or 80,000 metric tons YTD. A big driver of this import uptick is the declining US cow harvest. As the cow harvest declines domestic lean trim is moving sharply higher. 90% trim (a main ingredient in foodservice hamburger) is trading at record highs above \$3.30 lb. Grind pricing has more upside and little downside over the next few months.

PORK MARKET:

Another advance in the cutout is expected this week, most likely \$1-2 higher. Hogs will be a dollar or two more expensive as well. The harvest was 2.47 million last week which was lower than expected due to plant issues. The ham market will weaken as Easter demand concludes. Bellies are steady but will move higher in the weeks ahead. Trimmings are supported on processor demand driven by hot dog and sausage production. Rib availability is tightening and pricing will climb from here through June. (Rib forecast chart below)

SHELL EGGS:

New York prices are up 5 cents for all sizes. California and regional prices are steady. The undertone is mostly firm. Demand is moderate to good. Offerings are light to very light. Supplies are light to moderate. Market activity is moderate to active. Breaking stock offerings are light to very light for the light to at times moderate. Light type fowl supplies are moderate to heavy; processing schedules are normal.

As you know the 8-10 weeks after Easter is peak demand season for beef. We are beginning to see analysts up their cutout forecasts. Some expect the choice cutout to reach \$355-\$360 cwt by Memorial Day. For this to happen packers will have to keep the kill reigned in and consumers will have to be willing to spend more grocery dollars on beef. The USDA 22-90 day out front report remains less than noteworthy. Outside cuts appear here and there, and middle meats are still absent. As for this week, cattle prices will most likely trade higher. Packers will keep the kill reduced. Box prices will rise, and availability will tighten. Ribs and loins should trade sideways. Outside cuts may firm up as some of these cuts are diverted the grinder.

- Rounds – steady/higher
- Chucks – steady
- Ribs – steady
- Loins – steady
- Grinds – steady/higher

Loins are called steady on pork chop grilling ads. Butts have upside potential due to steady export demand, retail ad demand (Butt forecast chart below) and foodservice pulled pork demand.

- Butts – higher
- Ribs – higher
- Trimmings – higher
- Loins –steady
- Bellies –steady
- Hams –steady/weak

CHICKEN MARKET:

Whole broiler/fryer prices are trending firm for wogs; steady for whole fryers. Retail and foodservice demand is moderate. Supplies are in close balance to tight for WOGS; steady to firm for whole fryers. Demand is moderate to active for mid-week training. Processing schedules are normal. Floor stocks are adequate. Prices are firm for the majority of parts; bone in breast, leg quarters and drums are the most steady. Supplies are clearing well. Market activity is moderate to active. In production areas, live supplies are moderate. Weights are mostly desirable. Export demand is moderate to active.

TURKEY MARKET:

The market on frozen 8-16 lb. hens and 16-24 lb. toms is steady with steady to weak undertones for prompt shipments and steady to firm for deferred. Demand light to instances moderate. Offerings mostly moderate. Frozen domestic 2024 production Grade A basted equivalent processor offering prices on a national basis for Grade A 8-16 lb. hens are 86.00-103.00 FOB and 16-24 lb. toms 86.00-105.00 cents FOB for current shipments. Trading slow. Frozen basted equivalent hens traded at 103 and 16-24 lb. toms 91-105 cents FOB for current shipments. The market on fresh tom breast meat is steady with steady to weak undertones and frozen weak. Demand light to instances moderate. Offerings moderate to moderately heavy. The fresh destrapped tenderloin market is at steady while frozen is steady to weak. The white trim markets are generally steady with steady to barely steady undertones. Demand light to sometimes moderate. Destrapped tenderloin and white trims offerings are light to moderately heavy, mostly moderate with frozen destrapped tenderloins the most available.

The market on 4-8 lb. breasts is steady with steady to weak undertones while institutional sized rib breasts are steady to barely steady. Demand light. Offerings light to moderate. The market on tom drums steady to fully steady, tom 2-joint wings firm, tom full-cut wings and necks steady with mixed undertones noted. Tom 2-joint wing demand moderate to good, balance of tom bulk parts light to moderate. Offerings of tom 2-joint wings very light. The thigh meat and bone-in thigh markets are steady to firm. Demand moderate to good. Offerings very light to light. The mechanically separated turkey market is steady with a steady to firm undertone. Demand moderate to good. Offerings of fresh MST light to moderate, frozen light.



Fresh Is Everything

630-665-9665