



Fresh Is Everything

Weekly Market Review March 29, 2024

Overview

We 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 being color pepper. Pro-rates and further price escalations may happen on these items this week as supply gets critically low.

The hot pepper market is 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 not expected for 2-3 weeks and concerns over the water restrictions are making shortages a possibility. Overall, the current supply remains at record lows 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.

Please note that Easter is on the horizon and in Mexico, most harvesters will probably be off between March 27 - April 1. The next 7-10 days at the border could get very active and we could see delays and shorts if orders are not planned accordingly. The avocado sector faces a challenge when planning for Holy Week with a 260% increase in consumption over the past two decades and a 3-day break during the holiday, this may result in market fluctuations. It is crucial for shipments the following week to be readily available, as sustained demand could lead to another market surge during the reload process post-Easter. Once the industry is restocked with harvested fruit,

preparations for Cinco de Mayo demand begins immediately. The market will remain quiet from Thursday, March 28, until reopening on Monday due to no harvest activities.

Looking ahead, the USDA reports that the price of 60s has exceeded that of 48s, suggesting a potential market stabilization if demand shifts towards larger fruit. Spring pricing is anticipated to be higher compared to last year, with California's volume increasing rapidly due to favorable grower returns. Harvest volumes are expected to double this week, and California is projected to dominate the market from April to July, concluding its season earlier than usual. Guatemala is experiencing a rise in temperatures, leading to an improvement in production. It is important to note that this week will be shorter regarding harvests due to the Easter holiday. As a result, we can expect a delay in the availability of better supply until after Easter. In California and Arizona, many shippers are transitioning from Yuma to Huron/Salinas on carton commodities. Process shippers will start in Salinas either the 15th or the 21st depending on the shipper. 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.

In California, we are seeing a significant size shift on lemons, and 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 ALERT

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

FRUITS & VEGETABLES

Avocados: ESCALATED Last week's harvest closed at 65.1M pounds, like the previous week and over projected volumes. The projection for next week is down 45% to only 44M pounds, which will be the lowest volume week of the year. However, this was expected due to Holy Week. Market pricing is up but will continue to lag where actual sales are happening at the border. The 60s have now surpassed 48s, and pricing between sizes continues to narrow. The Normal crop continues to mature, and dry matter is averaging 33-34%. The size curve coming off the trees has favored larger fruit the past few weeks, and this trend will continue through mid-April.

BERRIES

Strawberries: The weather has been mild this week, with daytime temps in the upper 60s to low 70s and night temps in the upper 40s to low 50s. There were slight showers over the week and possibly more chances of rain towards the weekend. Fruit has good sheen, is firm, has nice shape, has coloring at 90-100 percent, and counts at 12-18 depending on the blocks. We are seeing some misshapen fruit and some green tips. We are quickly approaching our peak season for this season's crop, which will last until the end of March and into most of April. The plants look very healthy, with very strong fruit and a high flower load. Labor has tightened up around the growing region, where we are seeing lighter foot traffic. Florida and Mexico have finished for the season due to seasonality. Watsonville has begun its harvest for the 2024 season. The weather has been nice, with clear skies; daytime temps are in the mid to high 60s, and the weekend is looking to cool down into the high 50s. There is a chance of rain this weekend. Currently, growers expect volume in April to increase rapidly, even when compared to previous seasons. Although fruit is currently loading at Central Coast Cooling for March, we will begin loading at New West Cooling and Unikool starting April 1st.

CALIFORNIA CITRUS

Oranges: EXTREME ON SMALL SIZES 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!

Lemons: WATCHLIST We continue to see significant size shift on lemons and 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. Flexibility on sizing and loading areas will be mandatory to get orders filled!

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.

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

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

Blackberries: Quality remains good, with a nice sheen, good black coloring, and good size. Defects that we've observed include regression, overripe fruit, and occasional leaking. Counts are typically ranging between 26 to 35. The California season has begun in a small way.

Raspberries: The weather has been hot with sunny days throughout all regions. Seeing days at the mid to upper 80's and nights at the upper 40's to low 50's. The packs are good overall, with mostly medium-sized fruit. We are finding some raspberries with green, crumbled, and overripe fruit scattered throughout the packs. The California season has begun in a small way. 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.

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 Supplies will be lighter this week due to Good Friday and Easter holiday. No harvest Thursday through Sunday and most likely light harvest on Monday. Market should go up in price daily due to an industry shortage caused by holidays.

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 with several shippers 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 and limited supplies left in the Yuma growing region. Demand remains strong which will continue to drive

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 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.

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: WATCHLIST 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 lower into next week with the market on leaf items expected to be very volatile through the coming weeks during transition.

Slicer Cucumbers: We are finally seeing more volume crossing from Mexico through McAllen and Nogales combined with the new crop out of Florida that will take pressure off the supply. Offshore fruit is winding down rapidly and should wrap up soon and South Georgia is about one month out. Overall quality is fair; 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

Overall quality is good, except for basil, dill, and oregano. Rain continues to affect supply and quality. Chervil production is still slow due to the weather. Overnight service has had some delays due to major storms.

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 Lighter supplies out of Oxnard the next two weeks. Demand has been strong during the Easter pull with higher pricing; quality has improved.

Arugula: Supplies continue lighter as the Desert season finishes and the market is steady.

Asparagus: ESCALATED Asparagus production has started to slow down due to pricing the last five weeks and seasonality in Mexico. Markets have become more active with less production and because of Easter ads/demand. White asparagus will be very limited from Peru until mid-June due to seasonality and shed maintenance.

Bok Choy: Good supplies with good quality.

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

Brocolini 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: Overall supplies and quality remain good as Mexico and the Oxnard growing regions are in full production and demand is increasing.

Carrots: (JUMBOS, MEDIUMS and CELLOS) ESCALATED Steady supplies continue with good quality. Shippers still have light volume on dumbos out of California.

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.

Celery: Quality remains good, but we are seeing lighter supplies and the market is stronger.

Cilantro: Cilantro supplies, and quality continue to improve.

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. Growers in the Northwest continue to experience a decrease in packouts with each passing week that the onions sit in storage.

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: ESCALATED Supplies will be lighter this week due to Good Friday and Easter holidays. No harvest Thursday through Sunday and most likely light harvest on Monday. Market should go up in price daily due to an industry shortage caused by holidays.

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 continue lighter as the desert season finishes and market is steady.

Snow Peas and Sugar Snaps: ESCALATED Guatemala's production is excellent on snow peas and improving on sugar snaps. Production should improve further after Easter. Out of the west, a steady supply of both snows and sugar snaps.

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 have 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 often 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.

TOMATOES: EAST COAST

Round Tomatoes: ESCALATED Markets remain slightly 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 moss over the next week.

Roma Tomatoes: ESCALATED Markets remain slightly 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 moss over the next week.

Grape Tomatoes: Good supply and quality available.

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

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.

STONE FRUIT

Pomegranates: Early Granada varieties available in the west.

Persimmons: Fuyu and Hachiya varieties available.

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: MEXICO

Round Tomatoes: ESCALATED Lighter supply available this week as we transition from Sinaloa to Sonora and Jalisco. We expect to see light volume and higher markets until we see more of a balance of supply between the east coast and west coast growers. Baja is scratching some fruit next week and should start seeing some crossings on the west coast in 12-14 days. **Active markets will continue through the 3rd week of April.**

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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.

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

DAIRY:

Tuesday brought the news that HPAI had been detected in dairy cows. Click the link to learn more.

<https://www.farmprogress.com/animal-health/avian-flu-detected-in-dairy-cattle>

It is too soon to know all the implications of this discovery, but live cattle futures cratered on the news with most contracts settling \$3 down. The dairy industry has begun outreach to ensure consumers that milk is indeed safe to drink.

BEEF MARKET:

As expected cattle put in an all-time high last week. Cattle traded \$187-\$188 in the South which was \$1-\$2 higher. The harvest was 598k, which was 3k fewer than the week prior. The choice cut out was up \$2.49 cwt and the select rose \$2.10 cwt. Packers continue to balance the cost of cattle, cutout values and overhead costs with an eye toward profitability and retaining market share. It is a difficult formula and with the current market conditions packers are estimated to be losing \$50 per head. With Easter this weekend and its associated curtailed holiday schedules, cattle will trade down this week especially after the HPAI jump to dairy cows. We may also see some discounting on assorted chuck and round cuts this week. Any depreciation should be short lived.

The 10 day weather outlook shows cold temps in the Nation's mid section and East Coast. Once the weather warms we should be prepared for a strong uptick in demand as we head into Spring. Ribs and loins will provide steaks for grilling and outside cuts will see demand as grinding materials. Outside cuts may not see the customary price declines in spring and summer due to this situation. Ultimately, consumers will dictate what happens during this peak demand time by their willingness or unwillingness to pay historically expensive beef prices.

Industry Note: National Beef experienced a fire at their Liberal KS plant last week. A few days of production were lost, and lingering logistical issues remain.

PORK MARKET:

The pork cutout finished last week at 92.08 cwt, a 15% increase YOY. Analysts are expecting the summer high for the cutout to be \$125-\$130 cwt. Last week the cutout was down .10 cents from the week prior. Most of the loss is attributed to weakening ham prices. Easter ham demand is long gone, and export buyers can be expected to step in when they deem prices have fallen enough. The harvest last week was 2.53 million. This week's forecast is 2.42 million because of Easter production cuts. Close in, watch for continued appreciation of butts and loins. Bellies should trade sideways, and hams will soften further. Next week product will be more limited due to holiday hour reductions which will lead to firming pricing on butts, loins, trim and spareribs. With beef historically expensive beef very prevalent, pork will no doubt garner advertiser and consumer attention in the weeks and months ahead.

The post Easter April through May time frame should allow for a strong seasonal rally. Hogs are currently 2 lb. lighter YOY. The Quarterly Hogs and Pigs report is due out this Thursday and is expected to show a continuing reduction of the sow herd. Strong exports have been the norm and that trend is expected to continue. Clearly there are both supply and demand dynamics that are going to support pork pricing through the spring and summer.

Analysts have calculated that hog producers are now profitable after many weeks (30) of negative returns. Lower feed prices and strong demand, both domestically and internationally, have combined to inject much needed profitability into the hog production sector.



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