

Weekly PRODUCE ALLIANCE Market Report



May 4, 2023

OVERVIEW

Transition to the Ruskin/Palmetto region on tomatoes is complete, product is good, but volume is light. We are also seeing lighter numbers on peppers and cucumbers, while corn remains steady setting the stage for transition to South Georgia. The hot pepper market is slowly improving with serrano, shishito and anaheim the highest priced and shortest available. Supply is stable on round, roma and snacking tomatoes crossing through Nogales and McAllen. The sizing curve has shifted a bit leaning towards smaller fruit on rounds, romas are peaking on xl and jumbo. Offshore honeydews continue to be tight and expected to be this way through the rest of the season; transition to the desert will be soon. GreenGate will be starting in Salinas on Monday and there are a few shippers still shipping from Huron through next week but all other wet veg is shipping from Salinas and Santa Maria. Look for supplies to continue to be very unstable through the month of May as the Salinas Valley is behind schedule on many major commodities. This will continue to keep the USDA prices very volatile for several weeks because of heavy rains and flooding from January-March. We continue to anticipate disruption in the coming month with prorates and 10-week averages will most likely continue in the coming weeks.

MARKET ALERTS



ASPARAGUS – ESCALATED

Growers in San Luis continue to close fields due to seasonality and lack of labor. Baja has started production, but volumes are minimal. Guanajuato should start in two weeks and go through the end of August. Peru's volume is still low due to warm weather in the region. Quality has been fair at best. Markets remain active due to the weather and transition in Mexico.



BOK CHOY – ESCALATED

Market continues active with very light supplies.



BROCCOLI – EXTREME

Supplies are slowly improving and pricing is still escalated, market is slowly adjusting downward. Quality is good and we look for volume to slowly increase but we still anticipate unstable supplies through the month.



BRUSSELS - SRPOUTS

Supplies will continue to decrease on both bulk pack 25lb and VA category. Yields are dropping and there are still issues with quality. Expect to see short supplies and rising prices for the next 4-6 weeks as we will see a drop in volume.



CARROTS (Jumbo) – ESCALATED

Overall supplies are improving, Jumbos are still slow getting ramped up. Quality is good.



CAULIFLOWER – EXTREME

Supplies are slowly improving, but pricing is still escalated, market is slowly adjusting downward. Quality is good and we look for volume to slowly increase although we still anticipate unstable supplies through the month.



LETTUCE, ICEBERG – ESCALATED

Lettuce market continues strong with much disruption in supplies. Yuma is finished for the season and Huron should be finished by the end of the week of 5/8. We continue to feel the impact of the rain and cool weather in March and early April as supplies continue to be very unstable. Market continues to be escalated although we are feeling a weaker undertone but most shippers holding to averages. We do not anticipate any major changes heading into next week.



LETTUCE, ROMAINE, ROMAINE HEARTS, GREEN LEAF & RED LEAF – ESCALATED

ROMAINE: We are seeing adequate supplies on romaine and romaine hearts with an a very active market. Shippers are expecting a slight decrease in available supplies with the possibility of the market strengthening.

GREEN & RED LEAF: Quality is good but experiencing lighter weights and sizing is trending on the smaller side. Current markets are active, and demand continues to strengthen. We will see varying available supplies and anticipate a steady market as navigate the month of May.



MELONS (CANTALOUPE & HONEYDEW) – ESCALATED

Cantaloupe: We are seeing a rapid shift in the cantaloupe market now that we have passed the peak production of the past two weeks; we are also seeing a shift in sizing away from the excessive jumbo fruit and more to 9/12s. Demand has started to pick up as springtime temperatures are experienced in most regions of the country with large retail promotions developing. Overall volume will begin to decrease each week over the next month until our season is completed. We should see some fruit out of the desert right around Memorial Day. Quality on the cantaloupe has been



CELERY – ESCALATED

Supplies will be much lighter for the next three to four weeks. Disease pressure and seeders are present, so lighter yields. Market is better stronger with pricing escalated.



GARLIC – ESCALATED

Quality is good with moderate supplies



GINGER – EXTREME

Chinese supply will be very sporadic due to delays in unloading containers and inspecting at the ports. Pricing will be climbing daily.



GRAPES (ALL COLORS) – EXTREME

We are starting to see a rapid decline in volume on offshore grapes and now spot market inventory is becoming difficult to source. Importers are holding onto remaining inventory to manage programed business while any additional volume from Chile has been diverted to Europe and Asia due to weak U.S. markets in February and March, leaving much less fruit in the U.S. for April. Brazil's second crop is beginning to arrive on the east coast, but those supplies will not be enough to meet overall demand and Mexico will be delayed several weeks. The industry may experience a supply gap in the coming weeks, pushing spot market pricing to extremely elevated levels on all colors. We do not expect supply to be available out of Mexico until the 3rd week of May. In the coming weeks, substitutions to alternative colors or items such as mixed melons/other fruit may be necessary to keep the supply chain constant.



GREEN BEANS – ESCALATED

Beans demand remains strong, and markets have reacted. Overall quality is mixed and markets in Nogales are extreme as the season starts to wind down, transition to Coachella very soon.



HOT PEPPER – ESCALATED

In the east, chilies were still tighter than normal; however, expect to see some improvement in two weeks on Cubanelle, Long Hots, Poblano, Hungarian Wax, Jalapeno and Shishito (very short). In McAllen, volume is gradually improving on all varieties but Yellow Caribe and Serrano. Pricing remains firm but there is downward pressure on most varieties. Tomatillos are stable.



LIMES – ESCALATED

Supplies on smaller sizes are accounting for approx. 60% of the overall yields although large sizes remain extremely light and will remain scarce for the foreseeable future. Recent rain events have promoted fruit growth and coloring. Expect a potential price gap between small and large sizes to continue through the first to second week in May.

outstanding with excellent color externally and a strong flavor profile. Brix levels have been mostly in the 13-15% range with some peaking higher.

Honeydew: The honeydew market remains very strong and seeing more larger sized fruit. 6-8 ct are drawing a premium. Overall quality remains strong with very good internal/external color and brix levels are in the 12-14% range. Flexibility on sizes to fill orders might be needed this week due to limited availability of the smaller sizes. Limited crossings through Nogales.



MUSHROOMS – ESCALATED

Quality is good despite supply being lighter than expected. We continue to see lack of labor, shortages in component of growing such as peat moss and other inflationary pressures. We expect to see this continue to be a challenge until some of the growing costs can get under control of this particularly labor intensive and cost sensitive item.



NAPA – ESCALATED

Effects of the warm weather last week in the desert, along with the weather events in California in March are affecting quality on Napa out of all areas. Market is active.



PARSLEY (CURLY & ITALIAN) - ESCALATED

Some shippers are starting to see some minor seeder in the Italian parsley as well as some slight yellowing/burn in some of the fields.



POTATOES - ESCALATED

Potato demand on cartons has returned to normal levels during Q1. While we have not seen carton pricing take any sharp increase, we are seeing product significantly tighten up. We are beginning to approach the point where growers start to wind down on their Norkotah supplies. Once we get to the middle/end of April, we should see growers shipping Burbanks just about exclusively. Growers continue to receive record offers from processors (even higher than last season), and reports of further record breaking offers for the Spring continue to roll in. Because of this, the fresh market has a 'safety net' of where pricing will likely not fall beneath. We anticipate we will continue to see this trend to get growers to release product on the fresh side as we head into the Spring/Summer. Other growing regions are echoing the same sentiments as well. We have already seen Nebraska finish up, and we are seeing much less supply out of Colorado and Wisconsin as well. Both regions will finish up over Q2, and it could potentially mean a volatile Summer ahead. National supply reports are showing that there are approximately 3% less potato stocks on hand than there were during this time last year. Depending on how product stores, as well as what happens with demand, will really determine where the market will climb to.



SNOW & SNAP PEAS – ESCALATED

Production remains the same on Snow peas. Sugar snaps continue to be slow due to the weather. We continue to see quality issues on Sugar snaps.

GOOD BUYS

Commodity	Expert Tip
Italian Squash/ Yellow Squash	We are beyond excited to see these items on the Good Buy list because this means, SUMMER VEG IS HERE! There is nothing better than a grilled veggie salad to pair with any protein! Slice squash in rounds, bell peppers in half and use the whole sweet corn cob (husk on), and place these on the grill. Once grill marks show, take them off, and dice into smaller chunks. Drizzle with olive oil, a sprinkle of fresh herbs, salt, and pepper, and even top with some feta for a delished grilled veggie treat!
Green Bell Pepper	
Sweet Corn	

TRANSPORTATION & WEATHER



Although diesel rates are near record highs truckload rates continue to decline as consumer spending on durable goods declines reducing demand in the truckload market.



SALINAS, CA

Thu 5/4	Fri 5/5	Sat 5/6	Sun 5/7	Mon 5/8	Tue 5/9	Wed 5/10	Thu 5/11
62° 50°F	63° 51°F	63° 49°F	63° 47°F	64° 49°F	62° 49°F	62° 49°F	65° 50°F
Cloudy	Mostly Cloudy	Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy	Mostly Sunny

OXNARD, CA:

Thu 5/4	Fri 5/5	Sat 5/6	Sun 5/7	Mon 5/8	Tue 5/9	Wed 5/10	Thu 5/11
61° 49°F	62° 49°F	62° 50°F	62° 50°F	62° 50°F	63° 50°F	61° 50°F	62° 52°F
Mostly Cloudy	Mostly Sunny	Partly Cloudy	Partly Cloudy	Sunny	Mostly Sunny	Partly Cloudy	Sunny

JALISCO, MX

Thu 5/4	Fri 5/5	Sat 5/6	Sun 5/7	Mon 5/8	Tue 5/9	Wed 5/10	Thu 5/11
86° 61°F	89° 62°F	90° 62°F	89° 62°F	88° 60°F	87° 57°F	86° 55°F	85° 53°F
Mostly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny	Mostly Sunny	Partly Cloudy

WIMAUMA, FL

Thu 5/4	Fri 5/5	Sat 5/6	Sun 5/7	Mon 5/8	Tue 5/9	Wed 5/10	Thu 5/11
88° 61°F	92° 69°F	90° 70°F	89° 69°F	90° 70°F	90° 71°F	91° 72°F	92° 72°F
Sunny	Partly Cloudy	Partly Cloudy	PM Thunderstorms	Partly Cloudy	Mostly Cloudy	Partly Cloudy	PM Thunderstorms

ADEL, GA

Thu 5/4	Fri 5/5	Sat 5/6	Sun 5/7	Mon 5/8	Tue 5/9	Wed 5/10	Thu 5/11
81° 55°F	83° 61°F	86° 64°F	89° 65°F	88° 66°F	88° 67°F	91° 67°F	90° 65°F
Mostly Sunny	Mostly Cloudy	Partly Cloudy	Partly Cloudy	PM Thunderstorms	PM Thunderstorms	Partly Cloudy	Isolated

COACHELLA, CA

Thu 5/4	Fri 5/5	Sat 5/6	Sun 5/7	Mon 5/8	Tue 5/9	Wed 5/10	Thu 5/11
75° 53°F	81° 56°F	85° 57°F	89° 59°F	93° 60°F	93° 57°F	86° 58°F	93° 64°F
Partly Cloudy	Sunny	Mostly Sunny	Sunny	Sunny	Sunny	Sunny	Sunny