

Weekly PRODUCE ALLIANCE Market Report



January 12, 2023

OVERVIEW

In South Florida we are seeing lighter supply and firmer markets on green pepper, zucchini, yellow squash, and cucumbers remain very limited until we have sufficient supply from Honduras. Color pepper supply is improving, and we should see more pepper crossing over the next 7-10 days. Tomato production continues to improve as Florida and Mexico scratch new blocks, but we are nowhere near normal for this time of year as temperatures are below normal, causing lower production but nothing too concerning. We are still seeing some very high pricing on Serrano and Anaheim peppers due to cold weather in the growing regions in Mexico. Updates on Sinaloa due to the violence last week, we are seeing a vast improvement on harvesting and border crossings should be back to normal by the end of the week. Honeydew and cantaloupe have become quite a challenge due to cooler weather and should improve over the next 10-14 days; its critical to be flexible on size during these times where we are short and managing very limited inventory. In California, heavy rain events will continue through the weekend and into the first part of next week. These rain events are not affecting and product in the Desert regions of the Imperial Valley and Yuma but are impacting growing areas of Oxnard, Santa Maria and the San Joaquin Valley including Bakersfield. By Mid-week next week, the rain is supposed to stop, and good weather is in the forecast through the end of January.

MARKET ALERTS



BELL PEPPERS (RED & YELLOW) – ESCALATED

Markets are holding strong despite improving supply out of McAllen and Nogales and quality is good.



BROCCOLI – ESCALATED

Quality is very good, and supply continues to improve.



CABBAGE (RED) – ESCALATED

Supplies are improving but market remains very active, pricing is steady. Quality is good.



CARROTS (Jumbo) – ESCALATED

Heavy rain in California continues to affect available supplies as shippers are not able to get all product needed out of the fields. Rain is forecast to continue through mid-week next week before we see fields starting to dry out. Shippers continue to struggle with supply on Jumbos as sizing remains small.



CELERY – ESCALATED

Heavy rain in Oxnard is making it very difficult for growers to get into fields and harvest celery. Rain is forecast to continue through mid-week next week in Oxnard. In Yuma, many growers have started harvesting celery and the quality is very good.



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. We will continue to see upward pressure on prices as the Holiday pull is now in full swing and expected to remain that way through New Year's.



MELONS – ESCALATED

- **Cantaloupe:** Cantaloupe arrivals for the end of the week will see a shift more to smaller sizes (9/12/15s) which is also an after effect of the cooler temps. Quality has remained strong with good color for this time of year and internal brix levels of 11-14%.
- **Honeydew:** Honeydews quickly moved into a demand exceeds supply situation in all areas (Central America and Mexico) and there is not enough supply to cover the needs of everyone. Our shippers are restricting all our volume to cover contract only to get us through this period. We do expect supply to begin to pick up to more consistent levels by next week in Florida, but we are anticipating a shift in sizing to 6/8s as fruit did not size up during the cold snap. Advanced ordering and size flexibility may be necessary until supply increases.



CILANTRO – ESCALATED

Cilantro supply continues to be light, overall quality is good and market remains very active.



CORN – ESCALATED

Markets remain firm out of Nogales and South Florida and quality is very nice, however it's still too soon to truly assess any freeze impacts in Florida.



CUCUMBER – ESCALATED

Short supply out of Florida, mostly an impact of last month's freeze while Honduran imports are slow to start and are very inconsistent in quality. In the west, we see lighter crossings through Texas and Nogales continue to put upward pressure on pricing. We are seeing some hit and miss quality on cucumbers across the spectrum, mainly pitting, virus pressure, shorter than normal shelf life and yellow belly.



FENNEL – ESCALATED

Available supply remains light, especially on large size and the market remains active.



GARLIC – ESCALATED

New crop California has started although domestic supply is very tight, and shippers are holding to averages. We expect this volatile market to continue through the summer.



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



GREEN ONIONS - EXTREME

Supply continues to slowly improve, but still well below normal volume and quality is improving.



SERRANO & ANAHEIM PEPPER - EXTREME

In the east, supply is improving out of South Florida (Cubanelle, Long Hots, Hungarian Wax, Jalapeno and Shishito). In McAllen, volume is lighter on all varieties: habanero, jalapeno and poblano are all holding at higher-than-normal pricing while the shortest availability is on Serrano and Anaheim due to ongoing supply issues from Coahuila and Chihuahua. Markets will remain firm, but we are starting to see some improvement in crossings out of Nogales. Good supply on tomatillos in all growing regions.



LETTUCE (ICEBERG) – ESCALATED

Supply continues to improve, and quality is very good with no significant quality issues to report. Some fields are still showing minor issues from the freeze we encountered a few weeks ago but any impact is minimal. The markets continue to stabilize.

- **Watermelon:** Overall quality is very nice, still seeing firm pricing and moderate demand. Nogales and McAllen are the primary shipping points and mini watermelons seem to be easing back in price as store sets change and demand drops. Offshore watermelons are limited but we are shipping a few 4/5ct this week.



POTATOES - ESCALATED

Potato demand on cartons has significantly flattened during this past quarter. Q1 generally brings an increase to the market as begin to near the tail end of Norkotah supplies in March. 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. Other growing regions are echoing the same sentiments as well. We will see Nebraska finish up, and less supply out of Colorado and Wisconsin toward the end of Q1. These should give the overall market a boost as well. National supply reports are showing that there are less potatoes this year than last year – and this is not considering the 6M lbs. plus that have already been sold to processors.



LIMES – ESCALATED Pricing still represents elevated trends, however, lighter demand after the holiday's has stabilized the market. The current production cycle is coming to an end; some groves have already begun harvesting the new crop. Overall quality and shelf life will demonstrate improvement and peak sizing will shift towards small fruit. Pricing is expected to increase again towards the end of January.



SUGAR SNAP/SNOW PEAS – ESCALATED

Excellent supply of sugar snaps from Mexico, light out of California due to rain. A good supply of snow peas from Mexico, light out of California. Guatemalan production continues to improve.



TOMATOES (ROUNDS)– ESCALATED

Mexico

Stable numbers this week, mostly due to cooler temps keeping prices higher than normal this week crossing through Nogales and Texas. Quality is outstanding on the new crop.

GOODBUY

Each week, our team spotlights commodities based on how favorable prices, quality, and supply are in the market. Stay ahead of the trends and look to these good buys for their stellar performance in the fields! Please see each individual product for more information below and reach out to your PA representative for more information on adding this to your order guide.

Commodity	Expert Tip
Grape Tomatoes	Grape tomatoes are the perfect poppable snack, or better yet delicious and sweet addition to any warm dish. Have leftover grape tomatoes? Put them on a baking sheet, with some crushed garlic cloves, and roast them in the oven until they are tender, then drizzle with olive oil and top your favorite crusty bread with them. Delicious!

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.



OXNARD, CA:

Thu 1/12	Fri 1/13	Sat 1/14	Sun 1/15	Mon 1/16	Tue 1/17	Wed 1/18	Thu 1/19	Fri 1/20
67° 53°F	62° 53°F	58° 53°F	59° 52°F	57° 49°F	58° 46°F	58° 47°F	59° 47°F	61° 49°F
Mostly Cloudy	PM Showers	Rain	PM Showers	Showers	Mostly Sunny	AM Showers	Mostly Sunny	Sunny

JALISCO, MX:

Thu 1/12	Fri 1/13	Sat 1/14	Sun 1/15	Mon 1/16	Tue 1/17	Wed 1/18	Thu 1/19	Fri 1/20
82° 53°F	84° 53°F	82° 51°F	78° 47°F	76° 45°F	75° 45°F	73° 46°F	75° 46°F	75° 46°F
Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny	Partly Cloudy	Partly Cloudy	Partly Cloudy

CULIACAN, SINALOA

Thu 1/12	Fri 1/13	Sat 1/14	Sun 1/15	Mon 1/16	Tue 1/17	Wed 1/18	Thu 1/19	Fri 1/20
94° 52°F	94° 53°F	91° 51°F	87° 50°F	87° 49°F	85° 50°F	84° 47°F	85° 46°F	85° 47°F
Sunny	Sunny	Sunny	Mostly Sunny	Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny	Mostly Sunny

YUMA, AZ

Thu 1/12	Fri 1/13	Sat 1/14	Sun 1/15	Mon 1/16	Tue 1/17	Wed 1/18	Thu 1/19	Fri 1/20
73° 52°F	74° 51°F	71° 54°F	69° 55°F	66° 52°F	66° 45°F	68° 45°F	67° 45°F	67° 45°F
Mostly Sunny	Mostly Cloudy	Cloudy	Cloudy	Cloudy	Mostly Sunny	Mostly Sunny	Mostly Sunny	Sunny

IMMOKALEE, FL

Thu 1/12	Fri 1/13	Sat 1/14	Sun 1/15	Mon 1/16	Tue 1/17	Wed 1/18	Thu 1/19	Fri 1/20
83° 57°F	75° 43°F	61° 35°F	69° 45°F	78° 52°F	81° 55°F	84° 58°F	85° 61°F	84° 60°F
Sunny	AM Showers	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Sunny	Partly Cloudy	Partly Cloudy