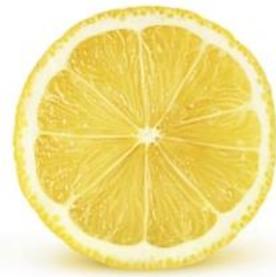


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Food Service Report

January 23rd, 2020

Tomato Update

Florida Growers are moving into harvest areas that will be producing larger sizes. Consequently, smaller fruit may begin to tighten up in availability. As anticipated, markets continue to trend upwards, quoting high \$30s for large tomatoes and high \$20s for smaller sizes.

Mexico Tomato production will start improving as we approach the end of January and early February. For the time being, markets continue in the mid \$40s for large sized tomatoes and high \$30.00 for smaller sized tomatoes. Good quality extra-large and jumbo size romas have firmed back up again into the mid \$20s. Hoping for better supplies and relief in February.

Grape Tomatoes Prices are slightly higher this week as Mexican growers work through diminished supplies.

Outlook The new Suspension Agreement enforcement standards will begin in March and this too is uncharted territory for how much this might reduce usual tomato supplies coming into the U.S.

Weather Outlook

California High pressure builds out west with seasonal temperatures across Southern California and the Southwestern Desert regions. A slight chance of showers expected Sunday from a weak system passing to the north. Gradual warming and dry conditions expected into early February.

Mexico A few isolated showers are possible across Central Mexico late this week, otherwise near-normal temperatures are expected through next week.

Florida Steady warming from the previous cold morning temperatures with a slight chance of rain across the northern counties going into the weekend. Seasonal temperatures and dry conditions will follow next week.

Lettuce

Iceberg Lettuce Production has improved throughout the industry. The weather is forecasted to be warmer over the next two weeks with no rain expected. Some common defects being reported include lightweights, misshapen heads, and mildew. Escalated pricing is in effect but anticipated to fall off by the end of this week on all value-added lettuce items. Weights are varying industry-wide, ranging from 33-38 pounds on liner lettuce.

Leaf Lettuce Romaine production out of the desert is excellent. Warmer temperatures in Yuma will continue going into next week and no rain is forecasted. Santa Maria/Oxnard will have moderate production as well. Demand is moderate to light at best. Common defects being reported on romaine include slight blister, mildew, tip burn, and epidermal peel. Green and red leaf lettuce are revealing similar issues with quality. Expect supplies to be extremely light going into next week. Escalated pricing is in effect on green and red leaf lettuce. Weights on romaine lettuce is averaging 28-34 pounds. Weights on green and red leaf items are between 16-21 pounds.





Avocados

Mexico Avocados are in high demand with the Super Bowl being just a few weeks away. The market will remain relatively active leading up to the big game. Crossing are up year over year and inventories have increased over the last couple of weeks. We are seeing better availability on open market fruit, especially #2 grade. Post-Super Bowl, we expected to see the market come off on price with some opportunity buys available. Consistent overall quality reported. Fruit is cutting well and eating great.

Squash

Eastern Supply Supplies are extremely tight out of Homestead and Immokalee Florida. Cooler temperatures two weeks ago initiated the decrease in production, and now as the temperatures are rising, the region has experienced sustained winds that are keeping the plants from pollinating adequately. Production has been minimal over the last two weeks and supplies from Mexico have slowed tremendously compounding the situation. Quality remains good despite the wind, but a few scarring issues are expected.

Western Supply Supplies are expected to remain extremely tight on yellow and Italian squash for the next couple of weeks. Supplies have decreased significantly due to the three cycles of heavy rain that passed through the Sonora and Sinaloa growing districts November 15th and 25th, then again on January 1st. Quality on all squash is fair at best. The soft squash market is currently high and expected to remain elevated through January.

Onions

Northwest The market has leveled off on red and yellow onions while white onions remain active due lighter overall supplies. Storage onions are available out of Idaho, Oregon, Washington, Utah, and Colorado. Quality on the Northwest storage supplies is revealing occasional issues of translucency and greening towards the center, typical for January and February early season onion varieties. Quality will gradually improve as we get into the late season varieties and expect to finish the storage season strong during the months of March and April. Until then it is recommended to store onions in a cool (36-45 degrees), dark, dry, and well-ventilated area to extend shelf life and preserve quality. Mexico and Texas fresh run onions are expected to start early this year and should see some supply by mid-February.

Bell Peppers

Green Bells As growers work through their harvests that were affected by the previous weather events, we are finally starting to see steady volume out of Mexico. With the upcoming projected volume, the market is expected to loosen up by the beginning of next week. Quality is fair with downward pressure anticipated for FOB pricing.

Red/Yellow Bells Crossings through Nogales remain lighter than normal, particularly on larger sized fruit. Over the next two weeks we are hoping to see improvement in sizing and production volumes with additional growers breaking into their new crops. Growers continue to try and meet demand, though we are seeing some quality concerns including 10-25% greening of fruit. FOB's are steady and quality is marginal.

Cucumbers

Eastern Supply Supplies have been steady going into South Florida from Honduras with consistent pricing over the last few weeks. Shelf life and quality has started to improve. Supplies from Mexico crossing into the U.S. have decreased over the last few days and will have the largest impact on east coast supply. Shippers of Honduran cucumbers tend to follow the Nogales pricing when supplies start to tighten. We expect higher pricing for the weekend and continuing through next week.

Western Supply Production remains light out of Sinaloa this week. supplies are expected to remain steady through the remainder of January. Quality on cucumbers crossing through Nogales remains fair to good. Light supplies of Mexican cucumbers are also crossing through McAllen