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# Food Service Report

March 18<sup>th</sup>, 2020

## Tomato Update

**Florida** Spring tomato harvest has commenced and should start seeing supplies improve from this area on round tomatoes. Very few roma tomatoes available. Markets are in the high teens to low twenties for best repacks.

**Mexico** Fair volume being crossed at this time. Roma tomatoes are in extremely short supply. Medium roma are being quoted in the \$22.95-\$25.95 range while large and extra large priced between \$26.95-\$28.95. Vine ripe tomatoes are in the low to mid-twenties for the best quality on the larger sizes.

**Heirloom Tomatoes** Supplies are down drastically out of Baja and Central Mexico due to cool weather. Markets have elevated as demand exceeds supply.

**Cherry Tomatoes** Volume out of Mexico has dipped this week and could dramatically decline due to rain and weather impacts.

**Outlook** While foodservice business has slowed considerably, retail grocery business has increased 8-10-fold. Retail demand has outstripped both product and transportation at every level. Freight rates have skyrocketed with demand exceeding business to get produce loaded and shipped to all regions of the country.

## Weather Outlook

**California** Harvest has been impacted by rain in most desert growing areas and might see shortages on iceberg, romaine, and leafy greens. Yuma received one of the heaviest days of rain in a long time and expected another 1.5" of rain today. Expect premature pinking to go along with wet and muddy cartons. This weather will affect quality for the remainder of the desert season. Mildew will be a major issue on all leafy items. The rain will dramatically slow harvest and there is a good chance some crews will not work for the next couple of days.

## Lettuce

**Iceberg Lettuce** Supplies are steady this week, but the rain could cause some disease issues on product. The market was active over the last week due to light volumes. Demand is a big question and the market will continue to be volatile.

**Romaine Lettuce** Production supplies are slightly above budget. Some rain last week reduced harvest capabilities. However, current blocks are exhibiting good color, uniform sizing, and strong yields with occasional fringe burn. Due to the overall volume of industry supplies and recent weather changes in weather, crews are cherry picking fields to promote a good useable carton. Open-market pricing has perked up; it is still a good time to promote these items.

**Green Leaf** Production volumes are slightly above budget. Blocks currently being harvested are healthy, with good texture, size and weights. Demand is steadily increasing as market prices have begun advancing. We are anticipating quality and supplies to remain good. Promotions volumes readily available.





## Squash

**Yellow/Zucchini** Volume in the East is gradually improving but weather-related issues have affected quality and volume. In the West, some growers have declared an Act of God due to a loss of their crop. Freezing temperatures earlier this month have impacted several regions of Northern Sinaloa and Central Sonora while rain has flooded areas of Culiacan. We expect to recover from the loss of this crop sometime in March, and see the Mexican market remaining extremely short for several weeks.

## Bell Peppers

**Green Bells** Florida volume is steady, and quality is improving daily. FOB prices are unchanged this week. In the West, crossings through Nogales and McAllen have increased and supplies are plentiful. Excellent quality reported.

**Red/Yellow Bells** Prices are steady to slightly higher than last week as growers are moving to new harvesting regions. Good quality reported with minor issues of softness and scarring.

## Cucumbers

**Mexico** Light volume continues to cross through Nogales from the Sinaloa and Sonora districts. Mostly Selects, Plains, and Slicers being packed. Fair to good quality reported from both districts. Supplies are expected to increase from the Sonora growing region within the next two weeks.

**Florida** South Florida had perpetual wind during the growing seasons and many shippers feel the domestic season will have a rough start with poor quality and low production volumes. Demand is strong with very little volume crossing into the U.S. from Mexico forcing buyers who normally buy in Arizona to load in Florida. Expect supplies to remain tight and elevated pricing going into next week.

## Avocados

**California** Harvest is well underway and on target to increase production over the next couple of weeks. With strong market conditions, harvest has increased weekly. Harvest crews are seeing mostly 60s and smaller in the pack-outs. Eating quality is excellent though ripening time is taking longer as the crop is in its early phase. According to the USDA Daily Movement Report, year over year shipments are up by nearly 430%.

**Mexico** Over the last several weeks the industry as a whole has faced extreme market conditions. Just as inventories were being reloaded and replenished, we are seeing the inventory pipeline start to decrease. Mexican growers continue to pace the harvest to prevent any future shortages in the coming months. The current size curve is leaning towards 60s and smaller as larger fruit remains limited. Market conditions are expected to remain elevated for the remainder of March.

## Citrus

**Navel Oranges** We are now in peak production out of the Central Valley and Coastal regions. Sizing will peak on 72/88/56/48ct. Larger sized navels available now through the remainder of the season.

**Lemons** California production is wrapping up quickly out of Coachella and Imperial Valley. The coastal regions and Central Valley will have strong supplies through April/May.

**Limes** The market has elevated. Volume is low, especially small sizes; large fruit (110-115 count limes) are more abundant. Expect prices to continue climbing for the next 4-6 weeks.

**Grapefruit** Our next crop of California grapefruit will begin late February to early March.

## Onions

**Northwest/Mexico** The market continues to endure instability with Mexico beginning to cross heavier volumes. Reports indicate that Northwest growers are dumping entire lots of onions that will not make grade due to freeze damage and FOB's decreasing across the board on all colors and sizes. Movement has hit a wall for much of this month. Northwest growers are feeling pressure to move Mexican product in the marketplace. Many Northwest growers will have to pull the plug prematurely on shipping if they cannot make grade, but there is believed to be enough Mexican onions and domestic Texas crop to alleviate any shortages.