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Food Service Report

May 27th, 2020

Avocados

Mexico Supplies remain steady as harvest continues into summer. Excellent quality reported, sizing skewed towards the smaller fruit; 60s and 70s holding the lion's share of the pack out.

California Supplies remain steady as US growers continue to harvest fruit in the domestic groves. Look for domestic avocados to stay in the Western regions of the country as Peru and Mexico cover eastern demand. Much of the domestic pack out is skewing towards the smaller sizing, tracking similar to Mexico. Excellent quality reported and is expected to remain that way through September.

Weather Outlook

California Currently experiencing extremely warm temperatures in the Salinas Valley for this time of year.

Mexico Persistently warm temperatures through the end of this week with maximum temperatures ranging from 99-110° for all inland fields and into the 90s along the coast.

Florida Forecasting scattered light to moderate showers Wednesday and Thursday, then dry for the weekend with near normal temperatures.



Tomato Update

Florida Just as the Central Florida Tomato deal was finishing up, they received a substantial rainstorm that will most likely bring the deal to a close. The new areas starting up are South Georgia and South Carolina. Markets on few supplies available remain in the high teens to low \$20s.

California One tomato shipper is running light volume in Indio. The first Central California tomato shippers will begin next week. Markets are in the mid-teens.

Mexico Tomato production in Central Mexico is coming to a close. Sonora will continue into June up until increasingly hot weather finishes up this harvest area. Markets are in the low 20s on vine ripe tomatoes and mid-teens on romas.

Lettuce

Iceberg Lettuce Supplies remain below budget and will continue to remain low as we get closer to the planned cutbacks in acreage. Demand continues to increase on both cartons and pounds with the increase in foodservice business. Good overall quality reported. The market is forecasted to remain active throughout the week.

Green Leaf Production volumes are above budget. Blocks that are currently harvesting are very nice, with good texture, size, and weight. Demand has picked up and market prices remain at promotable levels.

Romaine Lettuce Production supplies are above budget. Current blocks are exhibiting better color, uniform sizing, and strong yields. Warmer weather is forecasted for this week. Demand is advancing, though market prices remain at promotable levels.

Citrus

Oranges We have finished our Navel season in Redlands and the next crop will be Fall 2020. Production on new crop Valencia oranges will start the week of 5/25.

Lemons Demand has increased as warmer temperatures are setting in. The onset of additional foodservice business will take more fruit out of the mix. Prices are rising as we are starting to hit capacity of packing.

Grapefruit Harvest has started on our new California crop out of Redlands. The market is limited due to lack of harvest crews and unprecedented demand.

Onions

California/Mexico The onion market has firmed as the Northwest is finishing for the season and overall demand has increased. California and New Mexico will continue to ramp up with additional volume in the coming weeks and replace the supply out of the Northwest. Texas has transitioned into the northern regions, while Mexican onions are now crossing through Nogales. Foodservice demand continues to increase back to where it was prior to the shutdowns, and the USDA Box Program is generating high demand on all onions as well. We anticipate with each passing week there will be improvements in market conditions as demand continues to improve.

Bell Peppers

Red/Yellow Bells Volume is limited out of Mexico as production transitions from Spring to Summer crops. We'll continue to see some older fruit until new crops start up in June. We expect to see an increase in greening for the next two weeks as farms begin to push new crops in order to meet demand in the heightened markets.

Green Bells Coachella is the primary growing region for the West and offering excellent quality with thick walls and good color. Supplies are limited this week but expected to harvest until June when the Bakersfield area gets up and running. A few growers will have Mexican peppers through the month of May, though quality is starting to become an issue with multiple days of extreme heat. There will be some bells available in Plant City/Central Florida, but volume is light with quality and sizing declining. Fortunately, Georgia is now up and running and volume should increase once we get past the rain this week. These will be crown picks with mostly larger-sized peppers and excellent quality. There will be additional volume and sizing options as growers get further into their crops.



Potatoes

Mexico/California The market has rebounded on larger size cartons. Foodservice demand continues to rise each week, and the smaller size profile of the Burbank varieties is forcing pricing upwards. Additionally, the USDA Produce Box Program has resulted in a sudden influx of new demand that is helping all growers to keep all sizes cleaned up. We are now starting to see smaller-sized potatoes elevate. There are plenty of LTL shipments and shared trucks to avoid getting too far out on inventory, but full load volume trucks are continuing to increase as well. We are anticipating "normal" summer demand and expect pricing to remain firm and continue increasing until we get into the new crop in the Fall. Trucks remain short, and seeing rates increase with capacity tightening.

Cucumbers

Mexico Production in Mainland Mexico is going strong. However, we are starting to see shrivel which is caused by the high temperatures in the growing region. Mexico will continue to ship through Nogales going into June. A fourth grower has started out of Baja as we transition over for the summer. So far quality is good and will make a full transition to Baja cucumbers over the next three weeks.

Squash

Mexico/California The Northern area of Mexico has passed its peak in production and is now declining in supply. This growing area will continue for another 2-3 weeks with moderate volume. Both Baja and Fresno have begun and should continue increasing over the next two weeks. Santa Maria has also started in a limited way and should be a player in 7-10 days.