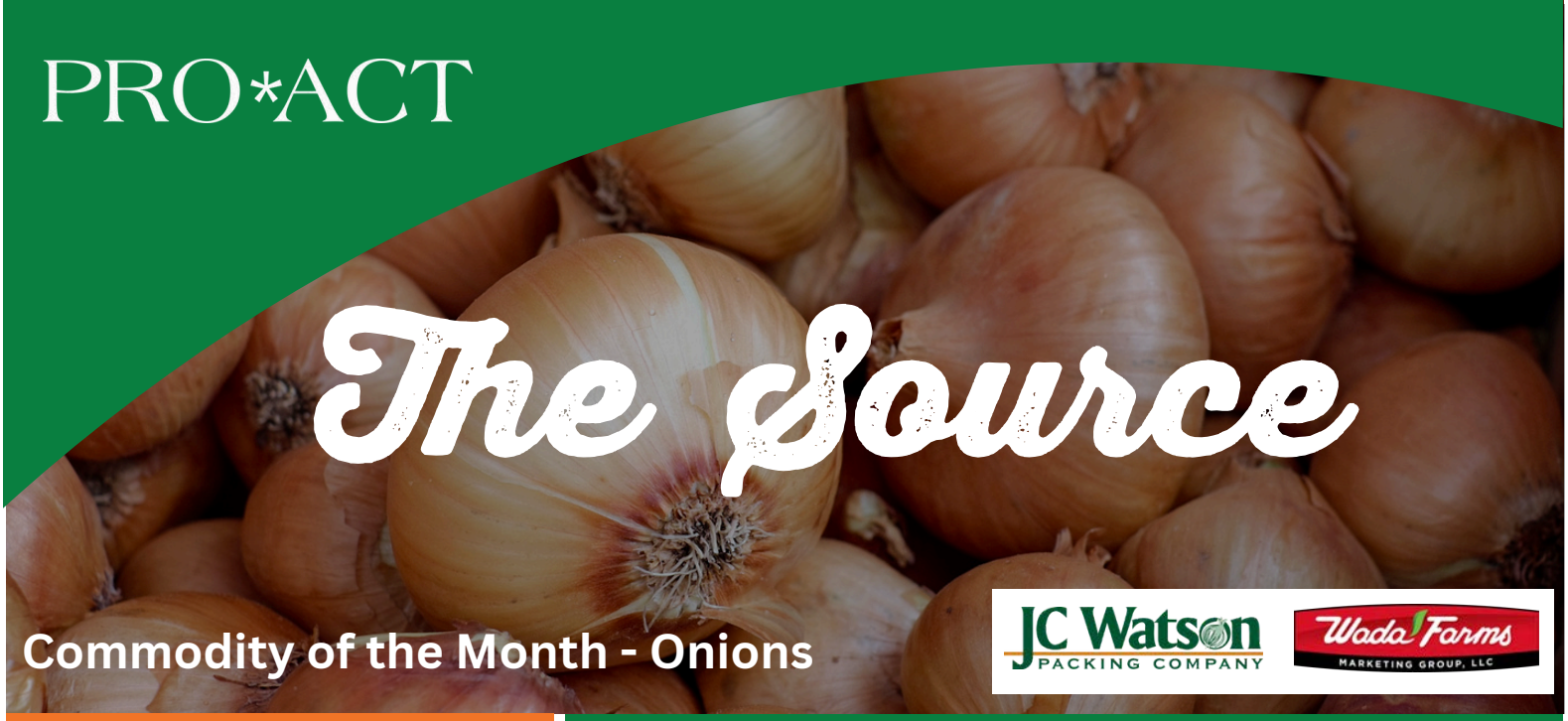
PRO*ACT



The Source

Commodity of the Month - Onions

JC Watson Packing Company

Wada Farms Marketing Group, LLC

JUNE 26, 2024

MARKET ALERTS

Asparagus - Supplies will remain tight leading up to the Fourth of July due to high retailer demand and extreme heat in Southern Baja and Peru reducing production. Smaller sizes are more common, and the market will stay tight through the holiday.

Avocado - On June 14, 2024, the USDA suspended avocado harvesting and shipments from Michoacán, Mexico, due to a protest blocking roads. Authorities are working to resume harvesting, but supplies will be scarce, raising market prices. Force Majeure clauses are being considered.

Strawberries - Demand has surged ahead of the 4th of July, causing a temporary shortage due to aggressive retail promotions. This demand spike should fade early next week, with strong northern production and high quality continuing.

Broccoli - Broccoli is in short supply in Salinas, Santa Maria, and Mexico due to quality issues like pin rot and decay. Warmer weather and recent hailstorms have further reduced Mexico's production. Supplies are expected to improve next week.

Lemons - 115ct and larger fruit is peaking, while 165ct and smaller sizes will remain tight through summer. Market for 140ct and smaller will stay strong, with some relief for domestic growers expected in early July from offshore West Coast conditions.

Garlic - Mexico continues to produce limited amounts of fair quality. For the next few weeks, expect the market to remain steady.

CROP UPDATES

As summer harvests approach, extreme heat in the upper Ohio Valley and Northeast has shifted to the Southeast, impacting regional supplies and potentially affecting quality and supplies as production ramps up in July. Read more

WEATHER

Arizona - Temperature in Yuma County and central Arizona will remain steady through the weekend, with highs in the 105-110 range and lows in the low-mid 80s, with moderate south-south winds.

California - Minor heat wave conditions are expected today, with sea breeze winds gusting up to 35 mph. Coastal lows will be in the upper 40s to mid 50s, with daytime highs in the low 60s to mid 70s.

Florida -Sea breeze showers and thunder-storms will cause isolated to scattered showers and thunderstorms across the state, fueled by warm and humid conditions, with winds gusting between 15 and 22 mph.

Mexico - Over the weekend, showers and thunderstorms will be isolated, causing scattered rain and temperatures to average below normal, with highs in the low 70s or 80s and lows in the upper 50s to mid 60s.

FREIGHT

Holiday market is expected to be better than expected, with Thursday landing. Freight market remains active, with Wednesday loading and Friday's busy loading day in Salinas.

PRO FRESH LOGISTICS

IN PEAK SEASON

MARKET ALERTS

Honeydew - Due to lower yields in the desert, the honeydew market is tight. Markers will be scarce until the West Side crop arrives.

Onions - Prices for white and red onions are rising due to increased demand from Mexico.

Tomatoes - Market escalation continues as transitions conclude in northern coasts and western MX, reducing overall supply through early July.

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Commodity Updates

Apples

Apple supplies remain strong. In July, you can expect some holes in inventories to appear. There will be a decline in golds, honeys, and pinks. Galas will continue to be tight. Reds, Granny Smiths, and Fuji will stay in good supply throughout the summer.

Commodity/Region	Supply	Price	Quality
Hudson, New York (September -June)	Steady	$$$	Good

Asparagus

ALERT

In the weeks leading up to the Fourth of July, asparagus supplies will remain tight. Leading up to the holiday, many retailers are taking ad volume. Southern Baja has been experiencing temperatures above 100 degrees for about a week, causing asparagus to go dormant. This is also yielding more smaller sizing as opposed to larger sizes. Peru is also experiencing warm weather and producing less asparagus. Through the 4th of July holiday, this market will be tight.

Commodity/Region	Supply	Price	Quality
Caborca (Year Round)	Light	$$$	Fair
Ciudad Obregon (Year Round)	Light	$$$	Fair
Peru (Year Round)	Light	$$$	Fair

Avocados

ALERT

Effective the evening of Friday, June 14, 2024, the USDA suspended avocado harvesting and shipments from Michoacán, Mexico, due to a social protest blocking roads in Aranza. Two USDA inspectors were detained but safely returned to Uruapan. Mexican authorities and the USDA are working to resume harvesting. While some fruit is still en route, supplies will become scarce until the suspension is lifted. California and Peru cannot fully cover the gap, so market prices will rise. Force Majeure clauses are being discussed among suppliers, with some pushing for immediate effect.

Commodity/Region	Supply	Price	Quality
Mexico (Year Round)	Light	$$$	Good
California (April - July)	Light	$$$	Good

Bell Peppers

As Bakersfield has been slow to get going, greens prices remain high. By early July, the east coast supply will be adequate, and production will continue to transition in several areas. The Coachella Valley has been experiencing high temperatures, which have resulted in low yields and poor quality field pack reds.

Commodity/Region	Supply	Price	Quality
California (May - October)	Light	$$$	Good
Georgia (May - June)	Light	$$$	Fair
Ohio/NC/MI/NJ (June - September)	Light	$$$	Good

Price Key: $$$ -Low, $$$ -Steady, $$$ -High

Key Partners

Commodity Updates

Berries (Blackberries)

The seasonable weather is helping to produce good numbers of West Coast production accompanied by Mexican transfers from CMEX and Baja. The markets are expected to remain steady through next week. Production in Georgia is nearing its end. The demand is light. The majority of fruit is being transferred to the West Coast for distribution.

Commodity/Region	Supply	Price	Quality
California (Year Round)	High	$$$	Good
McAllen, Texas (October-May)	Steady	$$$	Good
Georgia (April - July)	Light	$$$	Good

Berries (Blueberries)

The recent heat has resulted in lower yields on the Central California Coast. To help fill orders, product is still arriving from Mexico. New Jersey and North Carolina are still going. Pacific Northwest season has begun and will ramp up over the next couple of weeks. Next week, Michigan will start in a light way. There are transfers of Northeastern product available in Miami from Jersey and North Carolina. Most fruit is transferred to the West Coast for distribution.

Commodity/Region	Supply	Price	Quality
California (Year Round)	Light	$$$	Fair
Dover, Florida (Year Round)	Light	$$$	Good
McAllen, Texas (October-May)	Light	$$$	Good

Berries (Raspberries)

Most of the product is coming in from Baja and CMEX. Production on the West Coast remains moderate. The demand is light. For distribution, most fruit is being transferred to the West Coast.

Commodity/Region	Supply	Price	Quality
California (Year Round)	Steady	$$$	Good
Dover, Florida (Year Round)	Steady	$$$	Good
McAllen, Texas (October - May)	Steady	$$$	Good

Berries (Strawberries)

ALERT

In anticipation of the 4th of July holiday, strawberry demand has increased, leaving shippers short of immediate open market supplies. This temporary shortage is due to aggressive retail promotions. The Santa Maria area is all but finished, putting more pressure on Salinas and Watsonville. On the front end of next week, we expect this uptick in the market to fade as holiday demand dissipates. Production should remain strong in the North, but we are just past peak. The weather is ideal, which keeps quality high.

Commodity/Region	Supply	Price	Quality
California (Year Round)	Steady	$$$	Good
Dover, Florida (Year Round)	Steady	$$$	Fair

Price Key: $$$ *-Low,* $$$ *-Steady,* $$$ *-High*

Key Partners Driscoll's Only the Finest Berries™ naturipe FARMS

Commodity Updates

Broccoli

ALERT

In Salinas, Santa Maria, and Mexico, broccoli is in short supply. Overall lighter supplies are driven by lower yields caused by quality issues. There are pin rots, yellow beads, hollow cores, and decay in the fields that are reducing production. Most of these quality issues are visible at harvest, and harvesters are leaving affected heads behind. As a result of the warmer weather and recent hailstorms, Mexico's supplies are also limited. Next week, supplies should improve.

Commodity/Region	Supply	Price	Quality
Mexico (Year Round)	Light	$$$	Fair
Santa Maria, California (Year Round)	Light	$$$	Fair
Salinas (May - October)	Light	$$$	Fair

Brussel Sprouts

The supply of Brussels sprouts remains tight. The warm weather in Mexico is causing discoloration and an increase in bugs. The market is likely to trend higher next week.

Commodity/Region	Supply	Price	Quality
Mexico (December-August)	Light	$$$	Fair
Oxnard, CA (May - July)	Light	$$$	Fair

Carrots

The whole carrot market remains steady. The main growing region is Bakersfield. The sizing looks good. No issues for the foreseeable future.

Commodity/Region	Supply	Price	Quality
Imperial Valley (February - May)	Steady	$$$	Excellent
Kern County (October - Feb)	Steady	$$$	Excellent

Cauliflower

The cauliflower supply is good in all sizes. Going into next week, this market is expected to remain steady due to good quality.

Commodity/Region	Supply	Price	Quality
Mexico (Year Round)	Steady	$$$	Good
Santa Maria, California (Year Round)	Steady	$$$	Good
Salinas, California (May - October)	Steady	$$$	Good

Celery

With most shippers, this market has remained unchanged. There has been a problem with large sizing among some suppliers. Although slight seeder has been reported, overall quality remains strong. Salinas production is much heavier than in previous weeks. There is ample supply in southern California to meet demand. This week, you can expect steady availability.

Commodity/Region	Supply	Price	Quality
Oxnard, California (Year Round)	Steady	$$$	Good

Price Key: $$$ -Low, $$$ -Steady, $$$ -High

Key Partners

Commodity Updates

Citrus (Lemons)

ALERT

The fruit is at its peak on 115ct and larger sizes. It will continue to be extremely tight in 165ct and smaller sizes through the summer. The market for 140ct and smaller will remain strong. District 1 (San Joaquin Valley) is finished, leaving District 2 (Oxnard/Ventura County) as the main growing region and peaking at larger fruit. Early July is expected to bring some relief to domestic lemon growers due to offshore conditions on the West Coast.

Commodity/Region	Supply	Price	Quality
Oxnard/Ventura (October - February)	Light	$$$	Good
San Joaquin Valley (October - May)	Light	$$$	Good

Citrus (Limes)

There are fewer total inventories around and prices are slightly stronger. Demand is good and rain is delaying harvesting. As we get into summer, rain is needed and will benefit the crop, but causing a spike this week. We will see guys quoting fruit they don't have and pricing will hold.

Commodity/Region	Supply	Price	Quality
Veracruz (Year Round)	Steady	$$$	Good

Citrus (Oranges)

The navels are pretty finished; Valencias are the main variety. Valencia's crop will mirror Navel's. Fruit will peak at 72ct and larger; 88/113/138ct will be tight through the Valencia season once summer break is over for schools. Valencias are currently available in the Central Valley and Riverside. Brix on the Valencia's are in the 12 range.

Commodity/Region	Supply	Price	Quality
San Joaquin Valley (Year Round)	Steady	$$$	Good

Cucumber

Out west, Baja is the main growing region as Western Mexico is reaching its end. By early July, we will start seeing more local deals emerge from several growing districts, including NJ, VA, OH, and MI.

Commodity/Region	Supply	Price	Quality
Georgia (May - June)	Steady	$$$	Good
Mexico (November - May)	Light	$$$	Good
Baja California (May - October)	Steady	$$$	Good

Eggplant

On both coasts, markets are fairly steady enough to meet demand.

Commodity/Region	Supply	Price	Quality
California (May - October)	Steady	$$$	Good
Georgia (May - June)	Steady	$$$	Good

Price Key: $$$ *-Low,* $$$ *-Steady,* $$$ *-High*

Key Partners Sunkist FRESH LINK

Commodity Updates

Garlic

ALERT

Mexico continues to produce limited amounts of garlic of fair quality. For the next few weeks, expect the market to remain steady. From the end of July to the beginning of August, domestic supplies begin.

Commodity/Region	Supply	Price	Quality
East Coast (Year Round)	Light	$$$	Fair
Bakersfield, California (Year Round)	Light	$$$	Fair
Gilroy, California (Year Round)	Light	$$$	Fair

Grapes (Green)

Mexican grapes are going full speed in Nogales, with good volumes and high quality crossings. Coachella's harvest is also in full swing at much higher prices than Nogales'. Bakersfield will be the next district to start in the second week of July. A short overlap will occur between Mexico and Bakersfield.

Commodity/Region	Supply	Price	Quality
Mexico (May - June)	High	$$$	Good

Grapes (Red)

Mexican grapes are going full speed in Nogales, with good volumes and high quality crossings. Coachella's harvest is also in full swing at much higher prices than Nogales'. Bakersfield will be the next district to start in the second week of July. A short overlap will occur between Mexico and Bakersfield.

Commodity/Region	Supply	Price	Quality
Mexico (May - June)	High	$$$	Good

Green Onions

There is a good supply of green onions this week, and they are of better quality. Next week should be a good week for supplies.

Commodity/Region	Supply	Price	Quality
Mexico (Year Round)	High	$$$	Good

Kale

Kale supplies are expected to be plentiful and of good quality this week. Kale has a great opportunity to be promoted at the moment.

Commodity/Region	Supply	Price	Quality
Mexico (Year Round)	Steady	$$$	Good
Oxnard, California (Year Round)	Steady	$$$	Good
Salinas, CA (May - OCT)	High	$$$	Good

Price Key: $$$ *-Low,* $$$ *-Steady,* $$$ *-High*

Key Partners

Commodity Updates

Lettuce Iceberg

Both northern and southern California have better availability for this commodity. Value-added lettuce items continue to escalate, but escalation will drop to first tier triggers by the end of the week. As a result of favorable weather conditions, there has been a drop in demand for this commodity. The average weight is 38-46 pounds.

Commodity/Region	Supply	Price	Quality
Mexico (Year Round)	Steady	$$$	Good
Santa Maria, California (March-December)	Light	$$$	Fair
Salinas, California (May - October)	Light	$$$	Fair

Lettuce Leaf

Shippers are flexing on romaine and green and red leaf. The availability is excellent. Promote as much as possible. The availability of Romaine hearts is also strong. The trend will continue throughout the week. As we enter the summer months, demand for lettuce items is down. It has been reported that most leaf items are of good weight and have minimal defects. This will continue throughout the week.

Commodity/Region	Supply	Price	Quality
Mexico (Year Round)	Steady	$$$	Good
Salinas, California (May - October)	Steady	$$$	Fair

Lettuce Tender Leaf

There is a limited supply of tender leaf items like cilantro and Italian parsley. Due to all the rain and excessive moisture, quality is experiencing bacterial spotting. For the next couple of weeks, these markets will remain tight.

Commodity/Region	Supply	Price	Quality
Mexico (Year Round)	Steady	$$$	Fair
Oxnard, California (Year Round)	Light	$$$	Fair
Salinas, California (May - October)	Light	$$$	Fair

Melon (Cantaloupe)

Due to the transition, the cantaloupe market has been steady and demand is increasing. Yields are expected to be lower this week due to growers holding product for contracted orders later in the week. The first product from the Westside deal should be available on 6/29. Due to the transition, organic and specialty melon yields are also lower. To capitalize on the holiday, retailers are placing heavy orders.

Commodity/Region	Supply	Price	Quality
Central America (December - May)	Light	$$$	Excellent

Price Key: $$$ *-Low,* $$$ *-Steady,* $$$ *-High*

Key Partners

Commodity Updates

Melon (Honeydew)

ALERT

Due to lower yields in the desert, the honeydew market is tight. Mexican crossings are lower, leaving a gap in smaller fruit. Domestic suppliers focus on contracts for Honeydew 8s, which are a premium product. There will be a shortage of markers until the West Side crop is available.

Commodity/Region	Supply	Price	Quality
Arizona (June-July) (October-November)	Light	$$$	Good
Central America (December - May)	Light	$$$	Good

Melon (Watermelon)

The demand for Mexican watermelons is high due to retail holiday bids in Nogales and Texas. Warmer weather has improved the quality and yield of products in Northern Mexico. Great quality watermelons are available from AL, GA, and FL on the East Coast. The upcoming holiday and deals available for ADS are driving suppliers to capitalize on the opportunity.

Commodity/Region	Supply	Price	Quality
Arizona (June-July) (October-November)	Light	$$$	Fair
Central America (December-May)	Light	$$$	Fair

Mushroom

Supply and availability are excellent.

Commodity/Region	Supply	Price	Quality
Nationwide	Steady	$$$	Good

Onions

ALERT

Yellow supplies are plentiful. Prices for white and red onions are rising due to increased demand from Mexico.

Commodity/Region	Supply	Price	Quality
South Texas (July-April)	Steady	$$$	Good
Tri-Cities, Washington (July-April)	Light	$$$	Fair
California Desert (April - May)	High	$$$	Excellent

Pears

New crop California Bartlett pears will begin shipping just south of Sacramento during the second week of July, causing the pear market to remain tight. Early California crop looks to be about 80% of last year's. There are only small inventories of Anjou, Bosc, and Red Anjou left for Washington shippers. Only a few shippers will still have Anjou at the start of July. Bartletts are now available on both coasts.

Commodity/Region	Supply	Price	Quality
Hood River, Oregon (August-July)	Light	$$$	Good
Yakima, Washington (August-July)	Light	$$$	Good

Price Key: $$$ *-Low,* $$$ *-Steady,* $$$ *-High*

Key Partners JC Watson Packing Company, Rainier Fruit Company

Commodity Updates

Pineapples

Due to limited spot market opportunities, suppliers are focusing on their contracts. Tropical weather has caused fruit to mature faster than normal, resulting in lower yields. As a result of the holiday, larger fruit is impacted and demand remains steady.

Commodity/Region	Supply	Price	Quality
Costa Rica (Year round)	Light	$$$	Good

Potatoes

The number of 40 - 70 CT is fewer than in recent weeks as burbanks become the last variety available.

Commodity/Region	Supply	Price	Quality
Bancroft, Wisconsin (August-July)	Steady	$$$	Excellent
Idaho Falls, Idaho (August-July)	High	$$$	Excellent
Monte Vista, Colorado (August-July)	Steady	$$$	Excellent
Pasco, Washington (August-July)	High	$$$	Excellent

Squash

There are plenty of supplies available at a promotional volume. In addition to Baja, Santa Maria, Northwest, NC, MI, OH,NJ,NY, there are several other regions that offer availability.

Commodity/Region	Supply	Price	Quality
Georgia (May - June)	Steady	$$$	Good
California (May - Oct)	High	$$$	Good
Ohio/MI/OH/NJ/NC (June - September)	Steady	$$$	Good

Stone Fruit

There is a good supply of peaches, plums, and nectarines in the central valley. In July, we will see better varieties come on as we move through the month. Washington cherries have started and will be coming into better volume at the end of June and the start of July. The Chilean Kiwi market is steady to slightly lower.

Commodity/Region	Supply	Price	Quality
San Joaquin Valley (May-October)	High	$$$	Excellent

Tomatoes

ALERT

The markets are escalating. As northern transitions on both coasts and western MX conclude, overall supply has decreased. Until newer areas get going for the summer, the market should remain active through early July.

Commodity/Region	Supply	Price	Quality
Mexico (Year Round)	Light	$$$	Good
Florida (November-May)	Light	$$$	Good
Baja California (Spring/Summer - NOV)	Light	$$$	Good
California (July - OCT)	Light	$$$	Good

Price Key: $$$ -Low, $$$ -Steady, $$$ -High

Key Partners Wada Farms Marketing Group, LLC · Fresh Link · Dole

Weather Updates

CALIFORNIA

There was no sign of any mildly cooler temperatures Tuesday, and similar minor heat wave conditions are expected today, with sea breeze winds gusting up to 35 mph. Coastal lows will be in the upper 40s to mid 50s with daytime highs in the low 60s to mid 70s and low 80s to 100 further inland. As the marine layer deepens tomorrow, temperatures will cool by 4-7 degrees away from the coast, with maximums falling to the low 70s to the low 80s in coastal valleys and upper 70s to low 90s inland.

MEXICO

Showers and thunderstorms will be isolated to scattered throughout the weekend. Most showers will produce 0.05" to 0.25" of rain, but thunder-storms could produce 1" to 2" of rain. Through the weekend, temperatures will average a few degrees below normal as showers limit some afternoon heating. Most days through the weekend, highs will be in the low 70s or low 80s. The lows will be in the upper 50s to mid 60s through Sunday morning.

FLORIDA

Over the weekend, sea breeze showers and thunder-storms will cause isolated to scattered showers and thunderstorms across the state. Some of this activity will also be fueled by warm and humid weather conditions. Through June 28th, winds will gust between 15 and 22 mph.

ARIZONA

As high pressure stalls over the southwest, no noticeable change in temperature is expected through the weekend. In Yuma County and central Arizona, highs will be in the 105-110 range, with 111-116 in the Imperial and Coachella Valleys. Today and Thursday, morning lows will be in the low-mid 80s, with a slight cooling Friday and Saturday. Over Yuma County, moderate winds out of the south are likely to gust to 20-25mph today, and 15-20mph gusts are likely on Thursday.

For more information: https://www.ventusky.com/?p=31.4;-89.7;3&l=rain-3h

Crop Update

As we move into summer harvests weather events will continue to impact supplies in the near term. The extreme heat across the upper Ohio Valley and the Northeast has shifted to the Southeast this week. Regional supplies from the various areas are set to ramp up production as we move into July. The heat will likely impact quality and supplies from these regions as harvests begin.

Tropical Storm Alberto barreled into Northeast Mexico on June 20th becoming the first named storm system of the season. This large system brought substantial precipitation across Mexico causing mudslides and road closures as 5-10 inches were reported in the Central and Northeastern Mexico growing regions. Many crops were in the line of fire including tomatoes, Bell Pepper, Squash, Eggplant, Cucumber and Hot Peppers among others. Grower assessments are ongoing in the various regions impacted. Tropical moisture will continue to stream into the Central Mexico growing regions from the south bringing daily chances of precipitation through the week. Mexico has been impacted by severe drought and these systems will bring much needed rain to the entire region. Avocado production from Mexico remains extremely light as U.S. and Mexican officials work through recent security challenges. The security protocols demanded by the U.S. embassy are complex and will take some time to implement. Rain has also disrupted harvests for the past couple of days as we enter Mexico's rainy season. The rain will help to size up the fruit for the next crop.

Supplies from the Salinas Valley are gradually improving but many crops remain ahead of schedule in the fields. Recent warmer temperatures will help however it will take some time to get back on schedule. Broccoli remains in light supply as strong demand continuesand production from Mexico remains very light. Brussels sprouts are in light volumes as Mexico's production comes to an end. California production in Oxnard and Santa Maria continues to have quality issues, including insect pressure, seeders and internal decay. Growers are entering fields early to meet demand and producing mainly small-sized sprouts. Salinas is set to add to the mix soon, which should help with overall supplies. Insect pressure is on the rise in the Salinas Valley and looks to continue to be a problem as we move through summer harvests. Lighter production from Mexico will shift demand to California supplies. Local/regional production should help depending on how these crops came through the recent heat.

TIM LYNCH
QUALITY ASSURANCE MANAGER