

JULY 26, 2024

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# ON THE H O R I Z O N

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updates

# CROP & MARKET

INDUSTRY INFO







# MARKET UPDATES

## ROMA TOMATOES

TN/NC roma crops are now underway. Volumes are a little shy still but will build over the next few weeks. Most of what we're seeing has been larger fruit and quality has been solid. However, it has rained most for the past 10 days, so we could see lower packouts coming up. Barring any major weather event, supply should be steady and adequate for the month of August. Moving to the West, CA growers continue to endure a heatwave, which has impacted quality and yields. In fact, one grower has opted to walk by their current acreage and move to new fields next week. Lipman's transition from Los Banos to Manteca has brought improvements to yields and quality, but most farms will see lighter production in late August due to bloom drop. Central/East MX's production has been hampered by weather but is starting to show signs of gradual improvement while Baja's numbers have declined as the more southern growers finish up for the season.

## ROUND TOMATOES

Round tomato supply has been lighter in the East this week. Our VA crops, located near the coast, have experienced a lot of heat and rain over the past several weeks. Heat has brought crops ahead which means our sets in the first part of the season, which are heavier, will look to finish up in the next week. We normally move into lighter volumes in August. Now, thanks to heat and rain impacting quality and plant health, these volumes look to be lighter than usual. TN is now underway but has gotten off to a slow start due to almost daily rain. We anticipate better weather and volumes next week and should see consistency through August. Quality has been good despite the rain. As for the West, the heat wave continues in CA and has curtailed yields, sizing and quality. Lipman and other growers expect to see lighter volumes later in August due to bloom drop. Looking further south, MX's volume is on the lighter side as Baja's southern growers have started to drop out for the season and Central MX's production has been hampered by weather.

## GRAPE TOMATOES

Grape tomato production in VA and NC has lightened up over the past week thanks to almost daily rain. Quality had been really nice before the weather but we're seeing lower packouts due to harvest delays and the rain's effects on the fruit. Other small local deals are up and running as well, but volumes are light and

mostly staying local. Western supply remains light to moderate from Baja and central MX.

## GREEN BEANS

Although VA, MI and NY are in bean production, availability is still a little hit or miss as most all of the growing areas have had past or current rains impacting crops. Between the extended heat wave and lighter acreage, we're not seeing the volumes we normally do this time of year from the CA growing districts. Fortunately, our local partner in WA has had great supply and quality to keep the local area in supply.

## COLOR BELL PEPPERS

Colored bell pepper availability continues to be snug. Both Ontario and British Columbia are in light production modes. BC will see a few more peppers next week, but overall we expect lower, steady volumes for the remainder of the season due to Eastern CAN's lost acreage. Central MX's production is still limited but we will see production pick up in the next 3 weeks as other growers come online with new crops. Lipman's Farm 22 has already gotten underway and should see steady volumes for at least the next 4 weeks.

## GREEN BELL PEPPERS

Bell pepper supply is still limited in the East although we should see some improvement in another week or two. Thanks to heat, rain, and harvest changes, there's not been a lot of supply in any one place for the past two weeks- just small pockets of peppers. However, MI, OH, and PA are just getting started and should eventually have more significant numbers. NY is also on tap to start in the next 7-10 days. In the West, CA's Central Valley has been undergoing an extended heat wave with temperatures above 100 for almost 3 weeks now. The heat is causing lower yields, quality concerns and limiting the number of hours that harvesters can be in the fields, reducing supply significantly. The positive pepper news- our local partner in WA should get going by the middle of the week.

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## YELLOW & ZUCCHINI SQUASH

After MI's recent flush, squash supply is a little lighter in the East this week. But, with many areas in production, supply remains adequate. Quality is good in most areas, although you can see the occasional effects of the recent weather from some. In the West, several areas in CA and Baja are in good production with nice quality. Yellows are less available than zucchini, as most growers have lighter acreage of yellow squash. Our local WA state program looks to wind down over the next 7-10 days.

## CUCUMBERS

Cucumber supply is mostly adequate in the East. MI's fruit had some quality issues early on, but they have cleaned up as they've moved further into harvests. Regional/local deals in NY, OH, PA, etc. are also providing supply but the numbers seem lighter than last year. Eastern quality has been mostly good although an Eastern cuke doesn't have the same look as MX's deep green product. Moving to the West, hot temperatures in Baja have brought plantings on ahead of schedule and there's good supply now. When things come online early, they also end early, so we may see some lighter volumes in another 10-14 days. Quality has been great from Baja farms as long as the fruit is fresh. There are also some cucumbers coming from central MX. Quality is not quite as sharp from this area as there have been some reports of shriveled end issues.

## HARD SQUASH

Hard squash is available in adequate supply in the East. KY has more volume than most, but they are still in Summer mode with lighter plantings until the end of August. MI has just started and there are a few other spots (NJ, NC) with light volumes as well. As we move into August, NY and PA will come online for the season. In the West, hard squash is coming from the Fresno/Selma area where all three varieties have been available with nice, clean quality. Stockton is on deck to start within the next week, adding to Western supply. We'll also see hard squash pop up in WA state around August 5th. Overall, quality has been good across the country.

## EGGPLANT

Although our Eastern NC crop has finished a little early due to heat and rain impacting quality, there's still adequate supply of eggplant in the East. There are light supplies in several areas (Western NC, KY, MI, GA, NJ, etc.) that seem to be enough to get the job done. Western supply has tightened up this week as the heat wave has caught up with fruit quality and production. However, our WA state local partner has now started new crops with nice quality.

## CHILI PEPPERS

As we wait for MI to come online, there are still just bits and pieces of the chili pepper portfolio in the East. There are a number of small local programs in production (NC, NJ, KY, etc.) but they don't have the volume or varieties to make a marketplace impact. Cubanelles are especially challenging right now as many are having yield and quality issues with crops this year. Availability is better in MX, but still pretty light overall. Baja has light to moderate production with strong quality and central MX is coming in with fairly good numbers but a little lesser quality. CA production and quality have been slowed by extreme heat and looks to see more of the same for the immediate future. Our local deal in WA state has started jalapenos, Anaheims and tomatillos but are still a week away for serranos and 2-3 weeks from poblano harvests.

## MINI SWEET PEPPERS

At last...Baja has started with mini sweets but the numbers are light so far and supply is still very short. The only other areas with any minis are central MX and CAN where availability has been hit or miss. WA state is still expected to come online around August 15th which will definitely help in the NW.

## ORGANIC ROMA

With only a few growers going in Baja and high temps impacting production and quality, organic roma supply is limited. Quality has been hit or miss with some lots showing high color, scarring and/or shrivel. We expect a few more weeks of similar circumstances then will see new crops start in both Baja and central MX.

## ORGANIC GRAPE TOMATOES

Baja's organic grape tomato production remains on the light side but quality remains strong.

## ORGANIC MINI SWEET PEPPERS

Two growers are going with organic mini sweets out of Baja. Availability has been adequate and quality is good. With the short situation on conventional product, we could see some of this fruit used as conventional, putting pressure on supply.

## ORGANIC MINI CUCUMBERS

Organic mini cucumbers are mostly coming out of Baja at adequate levels. Quality has been hit or miss with some shriveled ends as the primary concern.



## WATERMELON

With GA, IN, NJ, and everywhere in between in production, watermelon supply is in a good place this week. GA and SC are still in the game, but both are expected to wrap up soon. In another 7-10 days, the stronger volumes will be coming out of NC, MO, IN and the Delmarva areas. Quality can be varied by growing area and stage of the crop, but is good overall.



## THE REASONS BEHIND THE PAINFUL SURGE IN GROCERY PRICES

[PRODUCEMARKETGUIDE.COM](https://www.producemarketguide.com)

by [Jim Wiesemeyer](#), Jul 17, 2024

The post-Covid surge in grocery prices has been a noticeable and financially painful part of the rising U.S. cost of living. Shoppers couldn't miss the sharp price increases, such as the doubling cost of a can of tomatoes or the significant rise in beef prices.

Economist Thomas Klitgaard from the Federal Reserve Bank of New York [analyzed the causes of this increase](#). Here are the key findings:

**Stable prices before pandemic:** The consumer price index (CPI) for food-at-home was stable for the five years prior to the pandemic, indicating little change in grocery bills from 2014 to 2019.

**Sharp increases during pandemic:**

- 2020: Prices rose by 4%.
- 2021: Prices increased by 6%.
- 2022: Prices jumped by 12%.

Overall, the food-at-home index increased by 25% from Q4 2019 to Q1 2023.

**Key components driving price increases:**

• **Commodity Prices:** The underlying price of commodities, especially grains, saw significant increases. This rise cascaded down to other food items like beef, pork, poultry, eggs, and dairy products.

• **Wages:** The wage bill at supermarkets rose substantially, contributing to higher grocery prices.

**Minor Impact:**

• **Price gouging:** Klitgaard's analysis suggests that price gouging by companies was not a significant factor in the price increases.

The surge in grocery prices was driven mainly by substantial increases in commodity prices and supermarket wages, rather than price gouging. The stability of grocery prices before the pandemic underscores the dramatic impact of these factors during the early 2020s. While grain prices have slumped since 2022, the wage bill keeps going up — with average hourly earnings up 6% in May from a year before. And Klitgaard warns that may bode ill for shoppers going forward. “An open question is whether grocery inflation can stay as moderate as it has been since early 2023 with grocery worker wage inflation still elevated,” he wrote.

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## TOMATO MARKETS RISE AS WEATHER STRAINS CROPS IN SEVERAL REGIONS

[PRODUCEBLUEBOOK.COM](https://PRODUCEBLUEBOOK.COM)

JULY 19, 2024

Tomato markets are higher than usual this summer season due to extreme weather and less overall acreage planted. Markon First Crop (MFC) Tomatoes are available.

California's elevated temperatures in early July have reduced yields and caused quality issues (sunscald, softening) in round and Roma crops. Another heat wave is expected next week, exacerbating long-term yield/quality concerns. Expect higher prices in August.

Mexican growers will transition crops from Southern Baja to Northern Baja over the next two weeks, reducing overall volume. Quality has been nice on Roma and round tomatoes; smaller sizes are more common. Grape and cherry tomato supplies are limited. Most stocks are shipping from the Baja Peninsula. Demand is strong. Prices are high. Poor weather conditions have kept yields low in Central Mexico.

Eastern Coast supplies are adequate and meeting demand. Virginia grape and round tomato quality is very good; large-size rounds (5x6) dominate crops.

The North Carolina/Tennessee mountain region has started round and Roma harvesting this week. Expect slightly higher prices over the next two weeks and active markets in late August when California battles long-term heat/bloom drop challenges.

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# UPCOMING EVENTS:

SEPTEMBER 12-14, 2024

**SOUTHERN INNOVATIONS**

NASHVILLE, TN

OCTOBER 17-19, 2024

**THE GLOBAL PRODUCE & FLORAL SHOW**

ATLANTA, GA

TEAM UP WITH LIPMAN  
FAMILY FARMS FOR YOUR  
SUMMER OLYMPICS  
VIEWING PARTY!



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