

Tomatoes, Tomatoes, Tomatoes - IMPORTANT

GET READY!!!

As you all know, the DEVASTATING Florida freeze that occurred a few weeks ago will really begin to take its toll on the market next week. There are several reasons as to why we're just now beginning to see the effects:

- 1 - Post-Freeze - Florida growers picked ALL remaining fruit in an effort to salvage as much as possible. This included all stages of the growth cycle which is why we've seen some random sizing in packs.
- 2 - Because everyone harvested everything at one time, the market became flooded with fruit.
- 3 - With a flooded market and light demand, growers/shippers lowered prices the two weeks after the freeze in order to get rid of all that was harvested.
- 4 - Demand has now rebounded and Florida growers are COMPLETELY out of product, leaving our only source, Mexico, to produce fruit. This caused the initial price increase that we saw last week.
- 5 - Mexican demand is higher than normal, leading to less product to export. Mexican tomato exports to the US are down 19.9% over this period of time last year.
- 6 - Rain and lower-than-normal temperatures in the Mexican growing areas have slowed growth, preventing harvesting and leading to increase quality issues.
- 7 - Currently - We are in a demand-exceeds-supply situation. Due to lack of product, what once would be a #2 tomato will now be graded as a #1 product, so quality will be an issue as well.

Prices in to us will increase by 30% next week. This increasing trend will continue all the way up to the point where demand falls off due to astronomical prices, and even then, pricing may fall a bit but will continue to stay elevated.

Peppers

All bell peppers, from green, to red, to yellow will also take a price increase. The same story of the tomatoes can be applied here. Florida has nothing left and we're relying too heavily on Mexico to produce. Mexico will not be able to keep up with demand and pricing will continue to increase over the coming weeks, particularly on green bells.

Onions

Most Northwest shippers (Oregon & Idaho) have finished up with their storage crop. As we enter March, we will begin to transition south (California starts 2nd week of March) for onions. The Mexican white onion supply was short-lived, so Mexicans had to start using yellow onions as a substitute. This put pressure on the storage yellow onion market which will ultimately drive this market very high.

There will be a market report to follow, however, the areas above needed special attention.