

FRESH LINK MARKET REPORTS

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Market Update for Table Grapes

Week of January 6 – January 12

Importers are finally receiving steady supplies of South American table grapes, as week 50 exports of more than 3 million total boxes are arriving to east and west coast ports. The Ica region has picked up the pace and increased volumes have gone on water over the past 10 days. Ica will continue to pack steady volumes of both red, black and green seedless and Chilean growers should start packing better numbers by the end of January. All of this should add up to lower spot market pricing, however, with the ILA strike set for January 16th importers are preparing for what could be weeks of uncertainty. The challenge is balancing shelf life, while protecting volumes to support programs. Even if there is an extended strike, there will still be volumes of grapes entering the U.S. market through non-ILA ports, albeit not enough to completely fill the pipeline on its own. The combination of inventories and arrivals over the next two weeks should hopefully carry the industry through a week-long strike, so if resolved timely marketers will be ready to set promotions for February.

Red Seedless

We are currently dealing with lower arrivals of red seedless compared to green seedless and we will see this continue through the balance of January. Ica is just now getting going with better volumes of Sweet Celebration being packed and will continue to improve over the next three weeks, but this volume won't hit the U.S. until February. Chile will start packing promotable volumes of conventional red seedless varieties by the end of the month as well, but those imports again are set for the middle of February. This all adds up to very high spot pricing and lower volumes to fill the programmatic needs of our largest retailers. The good news is that consumers are flocking to the new green seedless varieties and are out selling red grapes almost 3 to 1. Still, we can expect the spot market to range from the low to high 40s, with the mostly market in the mid-40s for premium jumbo fruit. Programs are locked in at much lower prices, so it will be a challenge for marketers to navigate this over the next three weeks.

Green Seedless

Green seedless volumes have been picking up each week from both Brazil and Peru and we should see that trend continue through the month of January. Growers from Ica are packing steady volumes of premium Autumn Crisp, as Peru is expected to export close to 13 million total boxes of this preferred variety. We should see promotable volumes by the third week in January, but of course the strike looms large. Marketers will not likely offer any lid pricing until after the strike is resolved, so we can expect the spot market to hold at these elevated levels until then. Currently, the spot market ranges from the low to mid-40s, preseason

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programs are set between the mid to high 30s for Sweet Globes and Ivory. Autumn Crisp is spot trading between the mid to high 40s, with many programs set in the high 30s.

Citrus

California Navel Juice market pricing has risen upward again for January. Some growers juicing anything below a certain price, regardless of size or grade to minimize added risk and costs for packaging and freight. Exports to Japan and Korea are ramping up which will create more inventory volume on choice grade in the 72/88 size spectrum. Size structure is starting to pick up, though many growers still peaking on the smaller size spectrum. Lemons expected to see a growth curve by mid-January, larger sizing is beginning to become more available. Small and mid-size Lemons currently inundating the market and building heavy inventory. Cara Cara oranges are heavy on inventory and growers looking to make deals on most of the size spectrum. Mandarins peaking on both sides of the size spectrum with good quality flavor and condition. Average brix is 14-15. Most growers will start harvesting and running Minneola's this week, expecting to peak on the smaller size spectrum of 100/125s.

Melons

Growers still focused on covering contract commitments as availability continues to be tight on Cantaloupe and Honeydew at all locations. Demand still exceeds supply with no immediate relief in sight even with Honduran and Costa Rican about to begin. These two countries were affected much more than Guatemala from the November tropical storm leaving their early season production in question with relation to yields and quality. With much uncertainty, realistic expectation for a return to normal will likely not be seen until mid-February when second cycle production from the Zacapa region of Guatemala resumes. Weekly production will be determined by how much fields in certain areas were impacted by the rains compared to others (lower lying, virus/bacteria, how plants responded to treatment, recent weather, etc)