

## ACT OF GOD CAUSE AND EFFECT OF FREEZE IN MEXICO

As you are well aware last week's freeze in Mexico has impacted supplies of many vegetables. While damage assessments continue, early reports of devastating losses have been confirmed. Items that have been affected include Cucumber, Squash, Bell Pepper, Eggplant, Tomatoes and Beans. Many growers are invoking Act of God clauses within contracts, as there simply isn't enough acreage that made it through the two nights of sustained, well below freezing temperatures. Many fields were a total loss while others were somewhere between 40-50% loss; please see below the crop assessment for more details. No matter how you slice it, it's bad. Mexico is no doubt the leading producer of soft-veg this time of year as Florida growers scale back acreage so they're not constantly battling against Mexico quality and pricing. Nevertheless, Florida growers are also reacting to Mexico's freeze as they rely on Mexico's volume well into March to cover contracts and customer demand.

Following is a recap of our assessment of damage to crops in northwest Mexico as a result of the recent weather events. These are early assessments and will continue to be updated as more information becomes available. It is felt the entire scope and extent of damage and ongoing production will become most clear somewhere in the next 7 – 10 days once plants have the time to demonstrate how extensive the damage was to the structure and root.

Crossing will be inconsistent to the border this week and will require careful inspection to determine shelf life of the product. Given the reduced availability and anticipated quality/size issues it is a good time to evaluate current specifications and determine flexibility for modification during this challenging time.

### Tomatoes

Vine Ripe and beefsteak tomatoes – open field plantings were devastated. The plants are a total loss. There will be some salvageable harvest for interior fruit. After that, approximately one to two weeks, the plants will require discing. Shadehouse plantings experienced damage to the tops of the plants. We will have two to three weeks of supply from fruit already made on the vine. It will then be about a three to four week period of light production to prune, retrain and set new fruit before production will resume to somewhat normal level. Estimates have approximately 60% of vine ripens/beefsteak tomatoes in open field planting.

Romas – similar to vine ripens. Estimates have approximately 85% of romas in open field planting.

Grape tomatoes – open fields appear to be a total loss. The question is whether the root was frozen or if there is enough life remaining that can be nurtured back to life through careful farming practices. This will be assessed over the next 7 days or so. If the plants can be saved it will be 45 days or so before production will resume. This is the crop hit hardest in the tomato category.

Cherry tomatoes – appear to be a total loss.

Tomatoes on the vine – this is the good news item. Reason being the majority of this crop is grown in regions outside of the two states hit by the worst weather and fared well. We expect near to normal production for the next 6-8 weeks on this item.

Overall the tomato category probably will fair better than the vegetable category

### Vegetables

Beans – appear to be a 90 - 95% loss. It will be 45 - 60 days to get into new supply from these regions. Reports are some direct seed plantings may allow for the 45-day range.

Squash – appear to be an 85 – 90% loss. Some growers had seedlings and are readying to go back in to replant. Other growers will assess and make decision within the week if they are going to go back into the ground. We are expecting a 45 – 60 day period until we are in new fields.

Green bells – open field bells were severely damaged. Bells in protected environments appear to be less impacted. Expecting somewhere between a 70 – 80% loss. Hard to peg exact level of damage until plants have a week or so to show how they are going to respond. Estimates peg open field plantings in the 75 – 80% range.

Cucumbers – open field plantings appear to have been a total loss. Shade house faired a little better but still are figured to be in the 80 -90% damaged level. Additionally, new plantings in the northern area that were anywhere from 1 – 3 weeks from harvest were severely damaged. Figuring a 45 – 60 day window of recovery. Cucumbers are estimated to be about 50/50 planting field vs protected culture

Eggplant – major loss. Growers will be working to salvage what they can and then disc fields. Expecting growers to not go back in a replant due to timing of the season. By the end of this week it is anticipated eggplant will be very scarce and what is available between now and then will be suspect as to quality.

Chiles – overall chiles are expected to have about a 40 -50% level of damage/loss to the crop. This will be more heavily felt in tomatillo and caribe varieties. Those two varieties are being pegged in the 80% damage/loss level.

Colored bells – these appear to be the vegetable item, which will come through the best. The product on the vine will be harvestable over the next couple of weeks. There will be a major gap after that which could last three to four weeks as a result of damage to the tops of the plants and needing to reset fruit.

Overall in both the tomatoes and vegetable categories for the plants that survive there will be bloom drops experienced in all varieties. The timing of the reset and return to production will vary by item and create significant voids in availability as a result.