



WEEK 45: November 2 - November 8 , 2020
MARKET OUTLOOK

								
Tomatoes	Romaine Lettuce	Iceberg Lettuce	Strawberries	Corn	Oranges	Asparagus	Mushrooms	Green Leaf
Alert	HIGH Alert	Alert	Alert	Alert	Alert	Alert	Alert	Alert
Rain and Wind	Heat and Fires	Rain and Wind	Heat and Fires	Weather	Supply Gap	Supply Gap	Variable Demand	Heat and Fires

MARKET ALERTS



OVERVIEW

There has been some relief on CA grown vegetables, but overall Lettuces have still been struggling to keep up with demand. Heat has been an issue over the past month and the Lettuce harvests have been the last too fully recover. We are quickly approaching Transition period and some growers are just a couple weeks away from beginning to move. As we get to new southern fields, we should see a helpful release on commodity conditions. Mushroom Alerts have entered the picture as we move into high demand season and a restructuring industry due to logistical complications mixed with changing demand.

Overall there is less items on Alert this week and with good weather forecasted, we should continue to see the list shrink. Trucking remains limited across the country and demand is still somewhat volatile while COVID conditions linger. The industry is beginning to recognize and adapt to conditions and navigate new thoughts and ideas on how to deal with industry wide issues.

Regional Weather Forecast

Highs

Lows

Oxnard, CA

Sunshine and partly cloudy days. No rain on the forecast.

Mid 70s

Upper 50s

Salinas, CA

Sunshine and partly cloudy days with no rain on the forecast.

Mid 70s

Low 50s

Santa Maria, CA

Sunny and partly cloudy.

Mid 80s

Mid 50s

Watsonville, CA

Partly cloudy and sunny next week.

Low 80s

Upper 40s

Bainbridge, GA

Partly cloudy and sunny next week.

Mid 70s

Low 50s

Idaho Falls, ID

Sunny and partly cloudy.

Low 60s

Low 30s

Regional Transportation Report

National Diesel Average: **\$2.385**(wk 44)

2019 : **\$3.064**(wk 44)

NPC continues to monitor and track diesel fuel averages by state as well as reported truckload freight rates on a weekly basis. Transportation continues to work through its most significant structural changes in years in regards to new laws and regulations stressing available truck volume and controlling drivers.

Regions with shortages:

Nationwide trucks are still higher this week due to high demand in certain regions, although there have been overall improvements. Slight shortage in Nogales, West Florida, Minnesota-North Dakota, East North Carolina, Texas, Yakima Valley, and Central Wisconsin. Shortages in Colorado, Delaware, Minnesota, Idaho, North Carolina, Wisconsin, Oregon and Washington.

Weekly Market Changes

Asparagus ALERT



Quality: BAD Supply: BAD

Volume on asparagus is improving but is down and is primarily coming out of PE. Sizing has been inconsistent and West Coast product is very limited while East Coast remains limited as well. We are seeing an uptick in supply and should be in a better spot as MX continues to increase in the coming weeks.

Avocados



Quality: GOOD Supply: GOOD

Overall the market is stable but we are seeing retail driving the market. Currently California, PE, and MX product have been in good supply. So far there has been sufficient quantity and quality of product crossing the border.

Bananas



Quality: GOOD Supply: GOOD

Overall there hasn't been much fluctuation in the banana market. Supply and quality have been good and freight costs have been level leaving the banana industry quite stable.

Berries, Mixed



Quality: FAIR Supply: GOOD

Blueberries- Seeing some more availability coming from the import harvests but still lagging behind over historical numbers. Markets are still up some as the other berry categories appear to be loosening up. Should see some relief in the coming weeks, quality has still been considered good and product is coming from CA, MX and Chile.

Raspberries- Overall supply has been in surplus and Raspberries have been very promotable. Should continue to see solid numbers in the month of November. Product out of CA and MX.

Blackberries- Similar to Razz, Blackberries have recovered and are seeing good availability. The outlook is positive and product is coming primarily from CA and MX.

Broccoli



Quality: GOOD Supply: GOOD

Broccoli supplies continue to be excellent for this week. Growers are harvesting good yields at this time. Fair to good quality is being reported for this week. Supplies are expected to remain steady going into next week.

Brussels Sprouts



Quality: GOOD Supply: GOOD

Brussels Sprout supplies are very good this week. Demand for Brussels Sprouts continues to be strong. Good quality is being reported at this time. Expect markets to remain steady for the next few weeks.

Cantaloupe



Quality: GOOD Supply: GOOD

Harvest numbers have improved with conditions cooling off and fires beginning to subside. Melons are back off alert and should be more stable moving forward with regular sizing and good quality.

Weekly Market Changes

Carrot Sticks



Quality: **GOOD** Supply: **FAIR**

COVID-19 has had an impact on value added carrots and the array of pack sizes and cuts available to the market. The additional labor and contact throughout the supply chain has put this item on the radar until supply can catch up with demand.

Cauliflower



Quality: **GOOD** Supply: **GOOD**

Cauliflower supplies continue to be very good this week. Growers are harvesting good yields and are reporting good quality. Expect markets to remain steady going into next week.

Celery



Quality: **GOOD** Supply: **GOOD**

Celery supplies are good this week. Growers are reporting steady supplies at this time. There is an increase in demand this week but good quality is being reported. Supplies are expected to remain steady going into next week.

Cilantro



Quality: **GOOD** Supply: **GOOD**

Cilantro supplies are good this week. Growers are expecting steady supplies the next few weeks. Good quality is being reported by multiple growers at this time. Demand for Cilantro has decreased this week.

Corn ALERT



Quality: **BAD** Supply: **BAD**

Prices for Corn out of the East and West is trending down this week. Production is coming up out of El Centro, AZ and Georgia. Supplies are still tight be more product is available everyday. All is based on the weather cooperating.

Cucumbers



Quality: **GOOD** Supply: **GOOD**

Price for Cucumbers is trending down this week. Production is coming out of Georgia, Florida and Nogales. Growers out of Mexico have reported some cold weather this week and that's impacting production.

Eggplant



Quality: **GOOD** Supply: **GOOD**

Prices for Eggplant is trending down this week. Production is picking up out of Georgia and Florida.

Weekly Market Changes

Chinese Garlic

Quality: **GOOD** Supply: **FAIR**

Beginning to see better numbers as imports begin to loosen and there is supply between domestic, Spanish and China



Grapes

Quality: **GOOD** Supply: **GOOD**

We have made our way into domestic season and we are now seeing good volume in the open market. Price has come down as supply has picked up. We anticipate this to continue steady for the next few weeks but then will begin to see greens coming to an end while reds continue on for an additional few weeks.



Green Beans

Quality: **FAIR** Supply: **FAIR**

Supplies had been depressed over the past few weeks but have made positive moves over the past few days as fields have moved from growing regions where hurricane damage had occurred. We anticipate better numbers and a steady market moving forward as we move into the busy season for green beans during the holidays.



Honeydew

Quality: **GOOD** Supply: **GOOD**

Harvest numbers have improved with conditions cooling off and fires beginning to subside. Melons are back off alert and should be more stable moving forward with regular sizing and good quality.



Iceberg

Quality: **BAD** Supply: **BAD**

ALERT

Lettuce supplies will be limited next week. Salinas is finishing up and supply is moving to Huron, CA. Expect for cartons to be light in weight but weights should improve by the end of next week. Growers continue to deal with heat and Virus effects from previous weeks.



Romaine Leaf

Quality: **BAD** Supply: **BAD**

HIGH ALERT

Romaine supplies continue to be limited going into next week. Growers continue to be challenged with the affects of the Virus and heat stress. Growers are only reporting fair quality at best and fringe burn on the outer leaves and some disease on the outer leaves is noticeable. Expect carton Romaine to be light in weight for next week.



Red and Green Leaf

Quality: **BAD** Supply: **BAD**

ALERT

Still lagging behind on production numbers. Yields are down due to some quality issues including sun scald, dehydration, and wind/fringe burn. Other lettuce items remain tight as well which will not help the overall outlook on green and red leaf. We anticipate a period of limited availability until full transition in November.



Weekly Market Changes

Tender Leaf

Quality: **GOOD** Supply: **GOOD**

Growers aren't reporting any issues on supply and quality has been fine. Look for this to continue for a few weeks.



Lemons

Quality: **FAIR** Supply: **FAIR**

Currently working with primarily import Chilean/Argentina lemons. The import fruit is in decent condition but is showing some pale and lighter color exterior. Market has been up while we get through import season but has remained steady over the past few weeks.



Limes

Quality: **GOOD** Supply: **GOOD**

Markets fell off a few weeks ago and have remained down and steady for the past few weeks. No indicators of any major changes in the near term.



Mushrooms

ALERT

Quality: **FAIR** Supply: **BAD**

Overall a fairly stable item for 10 months out of the year. We are entering the winter months where there is some activity as demand increases across the country. In addition to normal winter activity, we have begun to see some shortages in Crimini and Portabella Mushrooms. Retail pulling heavier than normal and labor issues with COVID have lead to an unstable market. Indicators are showing a limited fall and winter for Mushrooms.



Onions

Quality: **GOOD** Supply: **GOOD**

Market has leveled out after a transition up into new crop out of the Pacific North West region. Quality has been good and supply is flush. Growers are expecting a good season baring any major setbacks.



Green Onions

Quality: **GOOD** Supply: **GOOD**

Good quality and good yields reported by multiple growers. Prices are back to normal and not escalated.



Oranges

ALERT

Quality: **BAD** Supply: **BAD**

The USDA box program was the biggest catalyst affecting overall supply in the import fruit season. We have now moved into domestic crop after a difficult October. Markets have released and we can anticipate a slow and steady movement down to better consistency and pricing. Markets remain at an elevated place but should be better moving into the following week.



Weekly Market Changes

Peppers, Bell

Quality: **FAIR** Supply: **FAIR**



Green Peppers are trending down slightly this week. Production has already or is getting ready to start out of Georgia, Florida, California & South Carolina. Expect costs to come down as production ramps up. Prices for Red and Yellow Peppers remains mostly steady this week but are still elevated. Weather permitting, growers are expecting prices to come down in the weeks to come.

Quality: **GOOD** Supply: **GOOD**

Pineapple



Volumes have been low for the past few weeks but are now improving. Weather had been a major issue but is now improving. The labor strikes have ceased and we are now looking at a more balanced marketplace with good quality and supply.

Quality: **GOOD** Supply: **GOOD**

Potatoes



The potato market has come back down as we have made the transition to OR and ID new crop. Supply is good and quality is back to solid condition. With new crop availability, there should not be any major issues moving through the fall season.

Quality: **GOOD** Supply: **GOOD**

Summer Squash



Prices for Green and Yellow Squash is trending up slightly this week. Prices have been so depressed that some growers have given up on harvesting. Growers out of Mexico reported cold weather this week and that will put pressure on production as well as prices. Costs are so low there's only one way that they can go, up.

Quality: **GOOD** Supply: **BAD**

Strawberries

ALERT



We have finally seen a movement in the positive direction on strawberries. Supplies are beginning to catch up demand as we move south and hit Santa Maria and also have back up from Mexico. Quality has been good but overall the market had been so affected by previous heat waves that we are still seeing higher market prices but should see some stability over the next couple of weeks.

Tomatoes

ALERT



Quality: **BAD** Supply: **GOOD**

Prices for all tomatoes is trending down this week. Roma and Grape Tomatoes are trending down the most right now. Production out of the East and West is picking up a bit. Mexico experienced some cold weather this week. That could put some pressure on tomato production and pricing in the near future. Roma's by far are the best tomato value at this time, consider subbing other varieties for Roma's.

Watermelon



Quality: **GOOD** Supply: **GOOD**

Supply has been plentiful and the market has continued to slump as there has been a surplus in the marketplace. Seeing prices decrease on MX product crossing on both borders, McAllen and Nogales. Anticipate a low market for the coming weeks.

Industry Report

China Has Substantially Increased Purchases of U.S. Farm Goods Under Phase 1 Deal

Fresh Fruit Portal: October 25, 2020

China has substantially increased purchases of U.S. farm goods and implemented 50 of 57 technical commitments aimed at lowering structural barriers to U.S. imports since the two nations signed a trade deal in January, the U.S. government said on Friday.

In a joint statement, the U.S. Trade Representative's (USTR) office and the U.S. Department of Agriculture (USDA) said China had bought over \$23bn in U.S. agricultural goods to date, or about 71% of the target set under the so-called Phase 1 deal.

"Since the Agreement entered into force eight months ago, we have seen remarkable improvements in our agricultural trade relationship with China, which will benefit our farmers and ranchers for years to come," U.S. Trade Representative Robert Lighthizer said in a statement.

The deal defused a bitter trade war between the world's two largest economies, but disputes over human rights, the COVID-19 crisis and technology have strained ties between Washington and Beijing, raising doubts about the prospects for deepening the agreement in a second phase.

"It is worth noting that the Phase One Agreement did not go into effect until February 14, 2020, and March is the first full month of its effect," Lighthizer said.

"That means that we have seen seven months of agreement sales. Again, the highlight of this interim report is that we already are on pace to have all-time high sales to China in beef, pork, corn, and soybeans."

However, some are still questioning the figures.

"Are these good, positive sales? Absolutely," Joseph Glauber, who headed the USDA's economic analysis under George W. Bush and Barack Obama, told Bloomberg News. "The number 71% is wishful thinking," however, and is "overly optimistic."

Some of the sales may only hit the water after the Dec. 31 deadline and the contracts could still be canceled.

The report said the USTR has developed what it considers to be the best method possible for tracking actual agricultural purchases.

"Looking at simple import or export numbers alone is misleading because actual sales oftentimes lag exports by several months," the report said.

"What we have done is combine actual export numbers with the sales indicated in the U.S. Department of Agriculture (USDA) weekly Export Sales Reports (adjusting to eliminate any double counting) then, since the weekly sales reports only cover approximately 80 percent

of U.S. agriculture sales, we have proportionally adjusted upward to cover products not included in the weekly reports.

"This methodology has proven accurate and corresponds with the similar numbers China keeps. Again, the highlight of this interim report is that we already are on pace to have all-time high sales to China in beef, pork, corn, and soybeans."