



WEEK 42: October 12 - October 18, 2020

MARKET OUTLOOK



Honeydew

Alert

Weather and Fires



Romaine Lettuce

HIGH Alert

Heat and



Eggplant

Alert

Rain and Cool Temps



Corn

Alert

Weather



Pineapple

Alert

Labor Strikes



Oranges

HIGH Alert

Supply Gap



Onions

Alert

Weather



Cantaloupe

Alert

Weather and Fires



Iceberg Lettuce

Alert

Rain and Wind



Strawberries

Alert

Heat and Fires



Tomatoes

Alert

Rain and Wind



Squash

Alert

Rain and Wind



Green Leaf

Alert

Heat and Fires



Green Beans

Alert

East Coast Weather

MARKET ALERTS

OVERVIEW

We are seeing quite a few items on alert this week. The commodities and fields have been continuously beaten down around the country by either heat waves, fires, or hurricane storm conditions. The East Coast has been hampered by storms which has caused summer veg to have issues while the West Coast has had multiple three day heat waves that has caused lower yields and harmed the plants. **Hurricane Delta** is likely to have a large impact on East Coast harvests but the overall damage will not be known until Monday after the storm has passed growing regions. The fires continue to create smoky conditions and limit labor hours and also sun light that can reach the fields.

There is better weather ahead of us so hopefully supply can work on catching up with fall demand. The industry is still seeing heavy retail pulls and dealing with USDA Box Programs. Both of these are impacting the level of supply that is reaching the food service industry. Keep getting orders in early to ensure shippers have enough time to plan for a limited marketplace. Trucking continues to be limited across the country but there hasn't been a huge increase in fuel costs.



Regional Weather Forecast

Highs

Lows

Oxnard, CA

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

Low 80s

Low 60s

Salinas, CA

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

Low 80s

Mid 50s

Santa Maria, CA

Sunny and partly cloudy.

Upper 80s

Upper 50s

Watsonville, CA

Partly cloudy and sunny next week.

Mid 80s

Mid 50s

Bainbridge, GA

Rain over the weekend followed by partly cloudy and sunny conditions.

Mid 80s

Mid 60s

Idaho Falls, ID

Sunny and partly cloudy.

Low 60s

Low 30s

Regional Transportation Report

National Diesel Average: **\$2.387**(wk 41)

2019 : **\$3.047**(wk 41)

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 higher this week due to high demand and CA wildfire interruptions. Slight shortage in West Florida, Central Minnesota, East North Carolina, Texas and McAllen. Shortage in Colorado, Delaware, Maryland, Virginia, Minnesota, Idaho, Indiana, Illinois, North Carolina, Wisconsin, Oregon and Washington.

Weekly Market Changes

Asparagus



Quality: GOOD **Supply:** GOOD

Volume on asparagus is steady and is primarily coming out of PE. We are seeing a balanced market and should continue to be in a good spot as MX begins to start up next week.

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:** FAIR

Blueberries- There has not been a flush transition into import product as we have still seen lighter volume coming from PERU and domestic product hasn't been producing at heavy levels either. Peru is anticipating an increase in supply by mid/late October. Product is loading on both coasts and quality has been reported as good. Seeing some product cross through the AZ and McAllen borders as well.

Raspberries- Supply has been good, probably considered the most stable of the 4 berry categories. This likely is due to Razz being typically the lowest demanded berry. Markets are stable though and quality has been good. Product is coming from Salinas/Watsonville area and also out of MX. Leaning more favorably toward the import MX programs and will continue to see heavier volumes moving forward.

Blackberries- We have suppliers pushing product from multiple different growing regions. Still seeing limited supply off the West Coast but quality has just been fair. There is also still supply coming from Guatemala and MX. Guat has had good volume and fair/good quality. MX is more limited but will continue to see number improve as we progress through October. Quality should continue to improve as well.

Broccoli



Quality: FAIR **Supply:** FAIR

Broccoli supplies have improved this week. Growers are harvesting better yields at this time. Fair to good quality is been reported for this week. Supplies are expected to continue improving for next week.

Brussels Sprouts



Quality: GOOD **Supply:** GOOD

Brussel Sprout supplies continue to be steady this week. Growers are reporting good supplies at this time. Demand for Brussel Sprouts has increased with Foodservice and Retail. Expect markets to remain steady for a few weeks.

Cantaloupe

ALERT



Quality: FAIR **Supply:** BAD

Production for cantaloupe has significantly decreased as growers move into their fall acreage. California wildfires have not helped the situation as smoke was layering the valley preventing proper sunlight to reach the melons. This has caused yields to drop by as much as 40-50% in some fields leaving much less fruit being harvested to support demand in the market. We anticipate demand to exceed for the next few weeks until Arizona ramps up.

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: FAIR **Supply:** FAIR

Cauliflower supplies are light for this week. Growers are harvesting lower yields as they work through some quality issues. Growers reporting fair quality at this time. Expect markets to increase going into next week. Demand continues to be very good.

Celery



Quality: GOOD **Supply:** GOOD

Celery supplies continue to be very good this week. Growers are reporting steady supplies going into next week. Good quality is also been reported at this time. 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 been reported by multiple growers at this time. Demand for Cilantro has decreased this week.

Corn ALERT



Quality: BAD **Supply:** BAD

Prices for corn is trending slightly down this week. Corn out of California is tight due to high temperatures in the region. Yellow and Bi-color corn is non-existent. Growers are filling orders with white when approved by the end user.

Corn out of the East continues to be tight. Growers are reporting that excess rains all during the growing cycle has impacted growth and quality. Growers are reporting that some corn is underdeveloped due to weather. Production is ramping out of Georgia. That will put pressure on pricing for the weeks to come.

Cucumbers



Quality: FAIR **Supply:** FAIR

Prices for Cucumbers continues to be steady with a slight downward price bias. Production is picking up out of the east. Mexican product is starting to cross through Nogales. Growers are expecting availability to pick up some in the weeks to come.

Eggplant ALERT



Quality: BAD **Supply:** BAD

Prices for Eggplant is trending up this week. Supplies for Eggplants are tight due to weather related challenges are impacting production.

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: **BAD**

ALERT

Due to the Hurricane a few weeks ago we have seen significant damage to Georgia crops. The Hurricane produced strong wind damage and flooded the fields which has reduced the amount of product harvestable in the fields. The late freeze in NY limited crop production as well. Should see escalated markets for the remainder of October until FL can pick up the slack.



Honeydew

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

ALERT

Production for Honeydew has significantly decreased as growers move into their fall acreage. California wildfires have not helped the situation as smoke was layering the valley preventing proper sunlight to reach the melons. This has caused yields to drop by as much as 40-50% in some fields leaving much less fruit being harvested to support demand in the market. Although slightly better condition than cantaloupe, we anticipate demand to exceed for the next few weeks until Arizona ramps up.



Iceberg

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

ALERT

Lettuce supplies are showing some improvement. Growers are reporting lower yields as they work through some quality issues. Expect for cartons to continue to be light in weight. Growers continue to harvest and remove virus and fringe burn from the outer leaves.



Romaine Leaf

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

HIGH ALERT

Romaine supplies continue to be very limited. Growers continue to be challenged at the time of harvest due to the Virus and fringe burn. Growers are only reporting fair quality at best. You will see fringe burn on the outer leaves and traces of the virus. Supplies will continue to be short for a few weeks. On a good note some growers will harvest new fields this weekend. They are hoping for better yields.



Red and Green Leaf

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

ALERT

Green Leaf supplies will continue to be very limited this week. Strong demand continues with Lettuce and Salads. Growers yields continue to come up short on bins and cartons at the time of harvest.



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. No supply gaps foreseen in the upcoming month.



Limes

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

Limes spiked for a few weeks but have since stabilized. Markets dropped this week and should remain stable for the coming weeks.



Onions

ALERT

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

Due to the fires in the Northwest and the USDA Food Box Program, onions are tight depending on sizes. The smaller onions are tied up in the Food Box programs, especially the 3 lbs. using medium product. Due to lack of sun coming through the smoke, product that is drying out in 7-10 days usually is not happening as fast - the sunlight helps bleach the skin and the heat which temperatures are down 20 degrees, are not drying as usual. Some suppliers are leaving onions in the ground a little longer, as they are not ready yet; however, some growers are also seeing issues in 40% of the crops; they are not meeting the State Inspections, so they are culling through and scrapping the imperfect product which is also causing product to get extremely tight.



Green Onions

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

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



Oranges

HIGH ALERT

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

We are heading into a difficult next few weeks in the orange category. The USDA box program has affected overall supply and coupled with a short season has put a ton of pressure on the category. Domestic Navels are scheduled to arrive October 26th and the Valencia program is only scheduled to last until October 10th. This will lead to a two week gap in supply and likely will put additional pressure on pricing leading up to that period of time. Please plan accordingly and anticipate a period when oranges will be limited or gapping.



Peppers, Bell

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

Prices for Bell Peppers is down slightly but the cost is still a bit elevated this week. Supplies are still tight due to recent rains associated with Hurricanes and tropical storms. Cool weather is hampering supplies too. Production out of Georgia is starting ramp up. Growers are expecting Georgia to put some pressure on pricing in the weeks to come.



Weekly Market Changes

Pineapple

ALERT



Quality: FAIR Supply: BAD

Volumes have been low for the past few weeks but are now improving. Weather has been a major issue but is now improving. There are currently labor strikes in Costa Rica that are creating a shortage in harvested product.

Potatoes



Quality: GOOD Supply: GOOD

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 September.

Summer Squash

ALERT



Quality: FAIR Supply: BAD

Prices for Summer Squash is trending way down this week. Mexican product is starting to cross through Nogales. Growers out of the East are still reporting some scaring due to recent winds associated with Hurricanes and Tropical storms. Growers are expecting good supplies going forward as well as attractive pricing.

Strawberries

ALERT



Quality: BAD Supply: BAD

We have received small bursts of heat waves over the summer period and it's continued to leave yields down due to quality issues and sizing. Comparing last week to this week, the market has appeared to level out some but at an escalated position. Hopefully we don't see supply reach a worse position and thankfully the weather on the forecast is showing positive signs. We are primarily yielding from Santa Maria now as Watsonville/Salinas have all but burnt up and been producing product that is best left in CA and isn't making nationwide trips. A big factor into getting the straw market turned will depend on how MX fares as we head into the fall period. Hopefully we get a smooth transition and allow for some release in the high markets that we have gotten this summer. Growers are all still in a limited position but orders are still being filled. Demand continues to be very high.

Tomatoes

ALERT



Quality: FAIR Supply: BAD

Much like last week, the markets are still active. Prices for Rounds all over the country continue to trend upward. The same for imported fruit from Mexico. The impact from Hurricane Delta won't be known for another few days. Roma prices trended up a bit this week. The rains out of the East and colder weather in the North east has slowed production on what product that is left in the fields. Quality has suffered as well. California has only a few weeks left of production and they're having quality issues as well.

Quincy, FL is behind on their start date and suffered from the last hurricane that rolled through. Florida will be battling quality issues and reduced crops as a result of the storms. Mexico does not have much in the way of Round Tomatoes, Roma's are more plentiful. When customers start to move to Roma's due to price on Rounds, the availability and pricing situation will change. Growers are expecting Rounds to be tight with elevated cost for atleast another 3 to 4 weeks. Roma's are still the best value for the dollar. Growers are expecting some upward pricing pressure as clients move out of Rounds and into Roma's

Watermelon

Quality: GOOD Supply: GOOD



Overall supply has been stable and no quality issues detected. Supply is slightly down from from previous weeks but is about in line with historical patterns.

Industry Report

Washington Apple Commission Says Crop Will be Lighter

The Packer: October 8, 2020

Washington apple growers, who are about three-fourths through harvest, are seeing a production dip of about 10%, causing the Washington Apple Commission to revise an August forecast.

That forecast, from the Washington State Tree Fruit Association on Aug. 1, was 134 million 40-pound box equivalents. According to a Washington Apple Commission Oct. 8 news release on the revision, the harvest is about 70% over.

The commission discussed the harvest revision during a virtual Oct. 8 board meeting.

Contributing factors include an alternate bearing season lightening the number of apples per tree, a recent windstorm and more selective picking as growers work to improve pack-outs in the warehouse, according to the release.

“It is the growing consensus that the 2020 apple crop will be lower than earlier published estimates,” James Foreman, Washington Apple Commission chairman, said in the release. “This can be attributed to both a reduction in the quantity of bulk bins harvested, as well as lower conversion yields to packed boxes.”

Sizes are trending smaller than last season, but it depends on the region, according to the commission.

There are 1,260 apple growers in Washington. The state’s eight main varieties are gala, red delicious, fuji, Honeycrisp, granny smith, cripps pink (Pink Lady brand), golden delicious and Cosmic Crisp, which is a new apple whose volumes will sharply increase.