



WEEK 11: March 9- March 15, 2020

MARKET OUTLOOK



Green Bell Peppers

Alert

Weather and bloom drop



All Potatoes

Alert

Industry wide shortage from fall freeze



Cauliflower

Alert

Light supply to begin week.



Summer Squash

Alert

Weather and bloom drop



Cucumbers

Alert

Weather and bloom drop



Chinese Garlic

Alert

Coronavirus affecting exports

MARKET ALERTS



OVERVIEW

Tomatoes are recovering, yet not completely caught up yet. Other FL/MX veg items are lagging behind such as cucumbers, summer squash and green bells. Growers are seeing a lot of bloom drop from previous weather conditions. Yuma and desert regions are still seeing good weather conditions; however, the wet veg transition begins in three weeks. Oxnard/Salinas areas are expecting heavy rain next week which should put some pressure on CA grown crop for a couple weeks.

Regional Weather Forecast

Highs

Lows

Yuma, AZ

Sunny and partly cloud week with possible rain on Tuesday. Temperatures in the 60's, 70's and 80's.



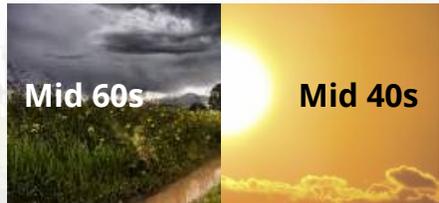
Oxnard, CA

Rain most of the week with possible sun on Thursday and Friday. Expect this to affect production on CA commodities for a couple weeks.



Salinas, CA

Rain over the weekend and Monday/Tuesday followed by partly cloud and sunny days.



Plant City, FL

No precipitation on the forecast. Sunny and partly cloudy days with a cold front over this weekend.



Culiacan Sinaloa, MX

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



Idaho Falls, ID

Possible rain over the weekend followed by partly cloudy/sunny rest of the week.



Regional Transportation Report

National Diesel Average: **\$2.851**(wk 10)
2019 : **\$3.076**(wk 10)

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: Currently no regions with truck shortages.

Weekly Market Changes

Asparagus



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

Mexico and Peruvian grass are currently available and MX product is in full swing. Markets are at the bottom and product is in **volume**. Historically price will come down until the mid/late March and then will work it's way back up into April. Asparagus FOB is currently below the \$10 mark.

Avocados



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

There has been additional release from last weeks "on the radar" situation. Supply of product crossing the border has increased and this has allowed some market pressure to release. We dont anticipate any major issues in the coming weeks.

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

ON THE RADAR--Blueberries remain somewhat troublesome with Chile coming to an end. There should be an uptick in supply as MX begins to have better support in the next few weeks. Raspberries and blackberries remain stable and should see increase in supply as well. Overall weather in growing regions appears to be cooperating and should help with improving supplies and keeping markets less active.

Broccoli



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

Supplies continue to be excellent this week. Growers are getting very good yields this week. Good quality and good weights have been reported by multiple growers. Expect market to be steady for the next few weeks.

Brussels Sprouts



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

Supplies are holding steady and production has been good. Overall supply is solid and marketes are down. We expect this to remain level for a couple weeks.

Weekly Market Changes

Cantaloupe



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

The larger fruit trend appears to be continuing on into March as there has been more 6j and larger size fruit on the market. The sizing disparity will put a premium on smaller fruit; however, there still appears to be a solid amount of product available heading into Mid March.

Carrots



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

ON THE RADAR—Jumbo carrots have continued to be tight nationwide. Overall sizing has slowed leaving supply somewhat limited due to colder weather. We will keep a close eye on how supply progresses in the coming weeks.

Cauliflower

ALERT



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

Supplies started light at the beginning of the week. Growers are expecting better supplies by the end of the week. Growers are reporting very good quality at this time. Expect market to be steady for the next few weeks.

Celery



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

Supplies continue coming to be above normal. Really good supplies coming from Yuma and Mexico. Growers are reporting good quality and good weights. Markets are expected to be steady for the next few weeks.

Corn



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

Corn prices are very reasonable right now and the quality is outstanding. Prices are expected to work their way up a bit as supplies are expected to get a little tighter.

Cucumbers

ALERT



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

Supply for cucumbers is still tight. The Mexican crop was impacted by bad weather in December through early February. Production out of Mexico seems to be picking up but not enough to take pressure off the market. Imports from Honduras coming through Florida are winding down. Growers in Florida are expecting domestic production to pick up in 2 to 3 weeks.

Eggplant



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

The Eggplant market is facing much of the same weather related challenges as cucumbers, peppers and squash. The market has continued to work up. Weather in Florida and Mexico has been excellent over the last few weeks, which will likely help increasing supplies in the near future.

Weekly Market Changes

Chinese Garlic

ALERT



Quality: GOOD Supply: BAD

Chinese garlic is on alert due to Coronavirus affecting labor and also ports allowing product out of China. We anticipate this to remain and also continue to add pressure on garlic prices until the virus is contained. The overall outlook continues to look worse as more and more time passes and import product is cut short.

Quality: GOOD Supply: GOOD

Grapes



We have seen some better volume arriving this last week on the Peruvian/Chilean fruit. The overall quality has been good and mostly larger fruit arriving as the new varieties arriving and Flames are finished. We will see good volumes for the next 3-4 weeks on both colors. Greens will start to really strengthen in the next 2-3 weeks as harvests are ahead of schedule. The reds will start to really get strong by the end of March and we will see things get very tight after that until Mexico begins the second week of of May.

Honeydew



Quality: FAIR Supply: FAIR

Sizing has been on the larger end like cantaloupe, but overall supply for honeydew's are not at the same levels that loupes are in. Honduras and Costa Rica have both decreased harvests at the end of their season and it has generated a decrease in supply. Expect some pressure on honeydew pricing in the coming weeks.

Iceberg



Quality: GOOD Supply: GOOD

Supplies on Iceberg continue to be great. Growers are getting very good yields at the time of harvest. Quality has improved and weights has also improved by multiple growers. Expect market to be steady for the next few weeks until transition.

Romaine Leaf



Quality: GOOD Supply: GOOD

Supplies on Romaine Lettuce continue to be above normal. Better weather has really improved supplies on all lettuce items. Good quality continues to be reported by multiple growers. Expect market to be steady for the next few weeks until transition,

Red and Green Leaf



Quality: GOOD Supply: GOOD

Markets are recovering on both colors. Colder weather held back supply but is now opening up. We anticipate this category to continue to improve into next week as warmer weather is on the forecast.

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.

Weekly Market Changes

Lemons



Quality: GOOD **Supply:** GOOD

Central CA is the heavy growing area currently and supply is looking solid through mid-May. Fruit is on the larger size but the overall sizing balance is stable. Markets will regularly lean towards smaller fruit so there should be a slight increase in 165/200ct as we reach April.

Limes



Quality: GOOD **Supply:** GOOD

There was a surplus of supply crossing the border up until this week, and after a period of abnormally high supply for this time of year, we are beginning to see the FOB's creep back up to normal range. USDA has smaller fruit in the low teens and larger fruit in the \$9-10 range.

Onions



Quality: GOOD **Supply:** GOOD

Overall the onion market has softened up since last week. More domestic crop is available in the market as MX product has just began. MX has started slowly but the additional product South of the border limits the exports leaving US. We anticipate this to hold moving through the next couple of weeks.

Green Onions **Quality:** GOOD **Supply:** GOOD



Supplies are back to normal after colder weather held this item back for a few weeks. Good quality and good yields reported by multiple growers. Prices are back to normal and not escalated.

Oranges



Quality: GOOD **Supply:** GOOD

Quality and flavor are excellent. Heading into March, there will be a surplus of larger fruit (56/72's) which will leave less availability of 88/113's. This will likely lead to a small increase in price on the smaller sized fruit. If lack of smaller fruit continues into April, Valencia's will then pick up the slack.

Peppers, Bell

ALERT



Quality: GOOD **Supply:** FAIR

Green Peppers are tight right now due to the bad weather in Florida and Mexico earlier this year. Growers are reporting bloom drop challenges in both growing regions. The current situation isn't expected to improve much during the next couple weeks. The Red and Yellow Pepper market is in much better shape. At the same time, expect the Green Pepper market to put some pressure on the Yellow and Red peppers.

Pineapple



Quality: GOOD **Supply:** FAIR

Limited sizing on larger fruit and suppliers are asking to potentially be flexible where possible on sizing to help with filling orders and avoid supply issues. Sizing has been heavier on 7/8s and limited on 5/6s.

Weekly Market Changes

Potatoes

ALERT



Quality: FAIR Supply: BAD

The potato market remains in an extreme state with quality and supply continuing to struggle. Still seeing quality concerns in certain areas based on conditions during harvest. Open market availability is scarce. We have a long road to go this season and are still battling supply issues due to lack of overall supply in the marketplace. We recommend flexibility on sizing to get through this extreme situation and we will keep you updated on this unprecedented market.

Summer Squash

ALERT



Quality: BAD Supply: BAD

The Green and Yellow Squash market is extremely tight right now. Crops out of Mexico and Florida were impacted by bad weather December through early February. Growers are reporting challenges with bloom drop along with scaring from wind and rains. Suppliers out of Nogales and McAllen are reporting that product is scarce.

Strawberries



Quality: GOOD Supply: GOOD

The strawberry market is coming off a flush FL and a steady CAMX crop and is headed into a stall while we wait to see how the rain in CA shapes up early next week. With FL wrapping up and possible 4 days of rain in CA, there is likely to be an increase in market price and a decrease in harvest time and "quality product" to pick. All growers are filling orders and there isn't any expectation for prorates into next week. As of now pricing is roughly equal to last year at the same time and about \$2 above what it was at to begin March in 2018.

Tomatoes



Quality: BAD Supply: FAIR

Good news, the tomato market did a 180 this week with prices becoming much more reasonable now. Demands have dropped due to high costing and that has given supplies time to catch up a bit. Quality still isn't optimal but supply is becoming available. Growers are still reporting challenges with weather related scaring and damage. Another wave of bloom drop is expected in the near future. That could put pressure on cost.

FDA outlines 2020 plan to stop E. coli outbreaks from leafy greens

The Packer: March 5, 2020

"The Food and Drug Administration has released its game plan for the year on resolving repeated E. coli outbreaks from romaine lettuce. The 2020 Leafy Greens STEC Action Plan features three main areas to focus on in the fight against Shiga-toxin producing E. coli: prevention, response and addressing knowledge gaps.

"We've previously called on the leafy green industry to do more, and meeting our own responsibility involves collaboration with state partners on education, training and inspections," FDA Commissioner Stephen Hahn said in a news release. "This plan is designed to help foster a more urgent, collaborative and action-oriented approach. "Frank Yiannas, the FDA's deputy commissioner for food policy and response, said the agency's prevention plans include providing technical assistance to the industry, and greater "emphasis on the potential impact of adjacent land uses," a reference to concerns of nearby livestock operations and their effect on irrigation water.

The FDA has extended compliance dates for produce (other than sprouts) on ag water requirements, but the agency hopes to issue revisions this year. The FDA also plans to release its report on three E. coli outbreaks tied to romaine lettuce late last year.

April Ward, the California Leafy Greens Marketing Agreement communications director, said the LGMA and its sister group in Arizona are, at their core, partnerships with the government. "We want these standards to be as strong as possible," Ward wrote in the group's blog. <https://lgma.ca.gov/news/fda-2020-leafy-greens> "Any input provided by the FDA including product testing data, research and information gathered through outbreak investigations is extremely useful as we work to improve our systems."

The FDA's plan has many initiatives, including:

- Enhanced inspections, auditing and certification programs
- Develop a "Leafy Green Data Trust," a public-private bank of data from inspections, traceability, audits and other information collected by growers
- Meeting with growers in Salinas, Calif., and Yuma, Ariz., about issues specific to those regions
- Continued FDA surveillance inspections of romaine
- Issue a proposed rule on required records for traceability
- Enhance recall communications, including using retail loyalty card data
- Accelerate whole genome sequencing data submissions

Support multi-year "longitudinal" studies in growing areas to better understand how pathogens survive.

If you have any specific questions or concerns on any commodities not mentioned in this report, please feel free to reach out to dforsythe@nproduce.com and we will be happy to give you those current market conditions. Also look for our Spanish version that will be released on Monday. Have a great week!

Your Dedicated NPC, LLC Staff