



WEEK 23: June 1 - June 7, 2020

# MARKET OUTLOOK



Bell Peppers

**Alert**

Growing Region Transition



Chinese Garlic

**Alert**

Coronavirus affecting exports



Green Grapes

**Alert**

Transition to Domestic



Brussels Sprouts

**Alert**

Quality Issues



Tomatoes

**Alert**

Regional Transition and COVID-19



Corn

**Alert**

Weather and Rain East Coast



Oranges

**Alert**

Transition

## MARKET ALERTS

## OVERVIEW

The overall outlook has been favorable for most produce categories. There has been a few categories listed above that have taken a hit due to COVID-19 circumstances and growing region transitions.

Food service pulls are beginning to see some life again after a two month lull. This additional movement will help to balance the marketplace as California growing regions hit their peak growing season. Wet veg has had an excellent transition and had no shortages this season. Expect to begin to see some high CA temperatures which will hold back volume on certain wet veg items. Tomatoes are on alert, especially Rounds, as growing regions are transitioning and supply has had a hard time keeping up with retail demand.

Good weather is on the forecast, and for the most part, we are seeing some stable conditions which should help to finish off a strong May growing season. Expect some slight bumps as the markets react to restaurant and food service customers reopening and distributors trying to manage changes in weekly demand. Please stay in constant communication with your partners as we navigate these unknown periods.



From Farm to Fork and Everything in Between®

# Regional Weather Forecast

Highs

Lows

Oxnard, CA Partly cloudy and sunny next week.

Upper 60s

Mid 50s

Salinas, CA Partly cloudy and sunny next week.

Low 70s

Mid 50s

Huron, CA Sunny and partly cloudy with hot days.

Low 90s

Upper 50s

Watsonville, CA Partly cloudy and sunny next week.

Low 70s

Mid 50s

Alma, GA Partly cloudy and sunny with rain beginning Saturday next week.

Upper 80s

Upper 60s

Idaho Falls, ID Partly cloudy and sunny all week.

Low 80s

Low 50s

## Regional Transportation Report

National Diesel Average: **\$2.390**(wk 22)

2019 : **\$3.151**(wk 22)

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:** Slight shortage in SoCal, Nogales and Central & South Florida.

# Weekly Market Changes

## Asparagus

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



Grass is still off alert with an increase in volume helping with lowered cost this week. Anticipate higher markets but we should continue to see MX pick up slack with limited Peru exports.

## Avocados

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



Overall the market is stable but has seen some bumps due to COVID-19. We are seeing retail driving the market which leaves certain sizes long. Currently California product has 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: **GOOD** Supply: **GOOD**



Blackberries and Raspberries are still strong out of Mexico and should continue to have a major share of the marketplace until domestic hits it's stride in the next couple of weeks. Product harvest out of CA has begun and is picking up steam. Blueberries have been strong on the East Coast from FL and GA. Out West blues are just beginning to see decent supply. Quality has been good across all three categories.

## Broccoli

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



Good supplies continue with Broccoli this week. The current harvest is coming from Salinas, CA and Santa Maria, CA. Growers are reporting good quality and good weights at this time. Supplies expected to continue steady going into next week.

## Brussels Sprouts

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

**ALERT**



Very limited supplies continue with Brussel Sprouts this week. Poor quality is affecting supplies at the time of harvest. Market is active prices continue to remain escalated. Growers are expecting limited supplies for 2 weeks.

## Cantaloupe

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



Domestic season has started and is looking to have a good month of June. Last week was limited with smaller sizing and weaker fruit but this week provided some heat and accelerated growth and numbers. We anticipate this to continue into next week with volume picking 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: **GOOD** Supply: **GOOD**

Cauliflower supplies are lighter this week. The current harvest is coming from Salinas CA and Santa Maria CA. Good quality is been reported by growers at this time. Supplies are expected to be steady going into next week.

## Celery



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

Good supplies continue with Celery this week. The current harvest is coming from Oxnard CA and Santa Maria. Waiting for Salinas crop to start the first week of June. Good quality is been reported by growers. Good supplies are expected to continue for next week.

## Corn

**ALERT**



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

Pricing for corn usually comes down for a few weeks after the Memorial Day holiday. That's not the case this year. Supplies are tighter out of the East Coast due to rains. Production out of California is tight as demand exceed supplies.

## Cucumbers



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

Growers are reporting slightly higher prices for cucumbers this week. Overall supplies are steady and quality is good. Look for the same during the next few weeks.

## Eggplant



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

Product out of Mexico is getting tighter and quality is decreasing. Production out of Georgia and California is picking up though. Growers are reporting good quality out of both the East and West Coasts.

## 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.

# Weekly Market Changes

## Grapes **ALERT**



**Quality: GOOD Supply: BAD**

We are making our way into domestic grape season and as we transition to domestic grapes, Chilean import greens are leaving a gap with MX and domestic production. Price is escalated as supply is low. We anticipate this to last a few weeks until supply can catch up and suggest looking at red variety as substitute until better green availability.

## Honeydew



**Quality: GOOD Supply: GOOD**

Domestic season has started and is looking to have a good month of June. Last week was limited with smaller sizing and weaker fruit but this week provided some heat and accelerated growth and numbers. We anticipate this to continue into next week with volume picking up.

## Iceberg



**Quality: GOOD Supply: GOOD**

Supplies will be light with Iceberg Lettuce this week. The current harvest is coming from Salinas CA and Santa Maria CA. Good quality and good weights are been reported by multiple growers. Supplies are expected to be steady going into next week.

## Romaine Leaf



**Quality: GOOD Supply: GOOD**

Romaine and Romaine hearts supplies continue to be steady. The current harvest is coming from Salinas, CA and Santa Maria, CA. Good weights and some tip burn is expected going into next week. Steady supplies are expected to continue for next week.

## Red and Green Leaf



**Quality: GOOD Supply: GOOD**

Supply and quality have been good on both colors. Not seeing any issues on supply or quality at this time.

## 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: GOOD Supply: GOOD**

Lemons have been steady over the past month but have crept back up in the last week. As we move through May, smaller size fruit is becoming limited and will remain that way until Chile begins in mid-June. We don't anticipate seeing a huge climb in the next few weeks, markets should remain slightly lower than normal due to lower demand.

# Weekly Market Changes

## Limes



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

Still seeing good supply on product crossing the border. FOB's dropped significantly a few weeks ago with a flush of inventory crossing the border. This week we saw a slight drop in price and should continue to see a steady supply against demand.

## Onions



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

We are seeing the WA storage crop season come to a close and the California summer crop begin. Transition to CA has been good with FOB's on yellows ranging from \$8-10 this week. Red's are in the \$6-7 range while whites are in the \$10-12 range. We anticipate a smooth couple of weeks with demand meeting supply.

## 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: **GOOD** Supply: **BAD**

Still dealing with a lopsided marketplace with limited pulls from food service. We have seen some pressure on price over the past two weeks and are beginning to see certain sizes more limited and increase in price. Market alert on oranges as pricing has been escalated. Valencia's began this week and will continue throughout the summer period. Navels will stay available throughout the summer but trend on the larger size until volumes return in Mid October.

## Peppers, Bell Quality: **GOOD** Supply: **BAD**

**ALERT**



Supplies for all Bell Peppers continue to tighten up at this time. Production for Green Bells is coming out of Mexico, California and Georgia. Color Bells are coming out of Mexico, California, Georgia and Canada. Growers are looking for prices to come off slightly as production out of Georgia & California increases.

## Pineapple



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

Good supply versus how much demand is currently in the marketplace. Expect to see solid product and good supply for the next few weeks with sizing on the larger side.

# Weekly Market Changes

## Potatoes



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

The potato market has stabilized over the past month as we have seen weaker pulls across the country. We anticipate this to remain balanced as we progress through the next month. Not much change from last week to this week and we are seeing overall good quality.

## Summer Squash



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

Pricing for Yellow Squash is up a bit this week. The cost for Green is steady. Production out of California is expected to come in play in the weeks to come. Growers aren't expecting any big changes in the market during the next few weeks. Challenges with quality are being reported for product grown in the East.

## Strawberries



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

The strawberry growing regions are headed into a strong harvest period with good weather on the forecast in the growing regions. Quality has been excellent and Salinas/Watsonville are ramping up production but we are still seeing good numbers out of Oxnard/Santa Maria.

## Tomatoes

**ALERT**



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

Prices for Rounds and Roma's have been working up this week. Demands are exceeding supplies out of the West Coast, East Coast and Mexico. Production has been hampered out of the East Coast due to recent rains. The market is unstable. Growers are expecting tighter than normal supplies for most of the month of June. Even with the higher costing, Roma's continue to be the best value.

## Watermelon



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

There was good balance between supply and demand as we moved past Memorial Day. Historically, after Memorial Day, demand and supply drop off for a few weeks and then build back up leading into the beginning of July. This years crop is looking to follow trend and lead into a strong 4th of July.

## United Fresh LIVE! show is breaking new ground

The Packer May 27, 2020

"As the first large virtual produce trade show, United Fresh LIVE! will be a groundbreaking event for attendees and exhibitors.

The COVID-19 pandemic made large-scale industry events impossible, and the United Fresh Produce Association's decision to invest in the June 15-19 digital event has been met with support from exhibitors.

Manuel Michel, executive director of the National Mango Board, said the organization is participating as an exhibitor in United Fresh LIVE! and looking to focus and maximize its message at the show.

"One of the things you look forward to is meeting people in person and having those conversations, but right now that is (not) possible," he said. "United Fresh has figured out a way to do a virtual conference and convention."

Reduced travel and hotel expenses are an obvious advantage to a virtual show, but many other elements are involved.

### How a Show Delivers

A question posed to the LinkedIn Fresh Produce Industry Discussion Group in mid-May asked, "What would make a virtual industry expo a successful show for attendees or exhibitors?"

The responses included several themes:

- Keep it concise, interesting and fast-paced
- Include an opportunity to chat "face-to-face" with prospective customers via Zoom or some kind of video conferencing
- A good attendee list to make contacts after the show; An ability to pre-market the product to the attendee list
- Flexibility in virtual booth design; Useful agenda
- Easy to use navigation software to transition between the vendor portal and educational sessions.

### United Fresh Delivers

Coming together as an industry has never been more important, and John Toner, vice president of convention and industry collaboration for United Fresh, said in early May that United Fresh LIVE! will deliver a platform to share knowledge, build best practices and more.

"The virtual platform that we're going down this path with is actually going to be really good," he said.

Attendance will be open to anyone from anywhere.

Workshops at United Fresh LIVE! will be a shared experience more so than even a live experience, Toner said.

"You're going to be able to chat with 10-15 people in the room and get real-time reaction," he said.

Trusted speakers and panelists will deliver value to attendees, he said.

The event will have global reach and will allow buyers to find new connections with new suppliers.

"We are pretty excited about what we are building for June 15," Toner said.