



WEEK 26: June 22 - June 29 , 2020

MARKET OUTLOOK



Brussels Sprouts
Alert
Quality Issues



Cauliflower
Alert
Heat and Harvest Gap



Corn
Alert
Weather and Rain East Coast



Oranges
Alert
Transition



Broccoli Crown
Alert
Heat and Harvest Gap



Cilantro
Alert
Heat and Rains in April



Cantaloupe
Alert
Weather and Labor



Honeydew
Alert
Weather and Labor



Chinese Garlic
Alert
Coronavirus affecting exports



Bell Peppers
Alert
Growing Region Transition



Romaine Lettuce
Alert
Quality Issues



Summer Squash
Alert
Weather



Green Beans
Alert
Regional Transition

MARKET ALERTS

OVERVIEW

Summer is around the corner, and heat is turning up which is putting a lot of pressure on different commodity groups. A lot of items are on alert heading into next week and will likely feel some market pressure as commodity deal with quality issues and lower yields at harvest.

Central Valley CA is hitting its peak and is producing great numbers but is beginning to show some smaller yields due to heat. Harvests off the East Coast are doing well but have been hampered some by weather over the past month which has created some ups and downs in summer veg and the tomato market. Those categories seem to be balancing out, but are still seeing some activity.

Food service numbers are looking better and this will add some pressure on growers to keep up with changes in demand. Please continue to keep communication up and orders in early in order to help with getting orders filled in full and on time.

Regional Weather Forecast

Highs Lows

Oxnard, CA

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



Salinas, CA

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



Lake Whales, FL

Thunderstorms all week.



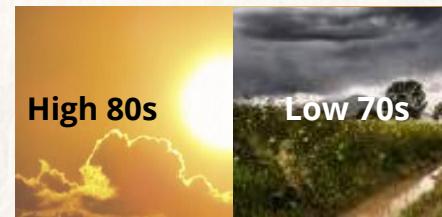
Watsonville, CA

Partly cloudy and sunny next week.



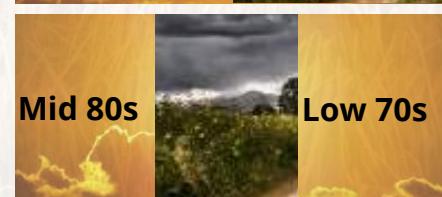
Alma, GA

Partly cloudy with scattered thunderstorms the second half of the week.



Ivanhoe, NC

Partly cloudy with thunderstorms mid week.



Regional Transportation Report

National Diesel Average: **\$2.403**(wk 25)

2019 : **\$3.070**(wk 25)

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:

Shortage in Central & South Florida.

Weekly Market Changes

Asparagus



Quality: GOOD **Supply:** FAIR

Volumes on asparagus have dropped in the past week. Currently there are three prominent growing regions: Peru/MX/US, and each is dealing with circumstances that are keeping volumes tight. Peru historically has lower volume in summer months, MX is dealing with major heat and lack of rain, while US crop out of Michigan is hampered by labor issues at pack houses due to COVID.

Avocados



Quality: GOOD **Supply:** GOOD

Overall the market is stable but we are seeing retail driving the market. Currently California and MX product have been in good supply. So far there has been sufficient quantity and quality of product crossing the border. No foreseeable issues in the coming week, but avocado markets historically can become active in summer months.

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

Blackberries and Raspberries are losing steam out of MX and are beginning to transition into domestic crop.

Blackberries out of Guatemala have taken a hit with Tropical Storm Amanda heavily affecting harvest conditions. Domestic blackberries will improve volume but there will be a two week gap where conditions will be limited. Blueberries have been struggling on the East Coast due to weather in GA, NC and NJ. Harvests are moving north and weather patterns have hit each growing region. The West Coast has not been able to pick up the pieces and keep supply even with demand.

Quality: FAIR **Supply:** BAD

Extreme short supplies with Broccoli for this week. Growers are working through lighter yields at the time of harvest. Growers are hopeful yields might improve for next week. Growers are having to deal with occasional pin rot inside the heads of Broccoli.

Broccoli **ALERT**



Brussels Sprouts

ALERT

Quality: BAD **Supply:** BAD

Lighter supplies continue with Brussel Sprouts this week. Quality is improving that will help improve supplies. Market is active prices continue to remain escalated. Growers are expecting for better supplies now that local crops have started in Salinas, CA.

Cantaloupe

ALERT

Quality: FAIR **Supply:** BAD

The domestic season has begun with a major obstacle. Sizing has leaned towards larger size leaving 12/15ct lopes very limited. Growers have battled very low yields due to early rains in the growing cycle and are currently challenged with a labor shortage leaving some fields unharvested. The labor shortage could potentially become an ongoing issue throughout the domestic deal.



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

ALERT



Quality: FAIR **Supply:** BAD

Extreme short supplies with Cauliflower for this week. Growers are working through lighter yields at the time of harvest. Growers are hopeful yields might improve for next week. Growers normally reduce plantings this time of year due to local crop offerings.

Celery



Quality: GOOD **Supply:** GOOD

Very good supplies are expected to continue for this week. The current harvest is coming from Salinas, CA. Good quality is been reported by multiple growers at this time. Good supplies are expected to continue for the next few weeks.

Cilantro

ALERT



Quality: FAIR **Supply:** BAD

Expect supply and quality to be down over the next few weeks. Rains in April impacted some of the fields and have limited the crop available for harvest at this time. That limit in addition to warmer temperatures will put pressure on the market and show some yellowing and reduced shelf life.

Corn

EXTREME

ALERT



Quality: GOOD **Supply:** BAD

No changes from last week. Corn prices are elevated this week due to rains in the East. Production out of the West Coast isn't sufficient to cover demands. Price isn't a factor right now. The problem is that growers can't fill orders. Please give shippers extra order loading lead times so that they can work to secure product to fill your orders. Expected order cuts going forward. Growers are expecting tight supplies all the way through the 4th of July week-end.

Cucumbers



Quality: GOOD **Supply:** GOOD

Good supplies, quality and pricing this week for cucumbers. The market is steady. Pricing is expected to work it's way up a bit in the weeks to come.

Eggplant



Quality: GOOD **Supply:** FAIR

Supplies and pricing for Eggplant improved this week. Production is coming out of Georgia and California now. Prices are trening down.

Weekly Market Changes

Chinese Garlic

ALERT



Grapes



Green Beans

ALERT



Honeydew

ALERT



Iceberg



Romaine Leaf

ALERT



Red and Green Leaf



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: FAIR

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 has come down as supply has picked up. We anticipate this to continue as we move into domestic season.

Quality: GOOD Supply: BAD

Last week, the USDA FOB had been trending up in price. Harvesting in Georgia is finishing earlier than normal and TN, NC, and VA are not ready to start. Due to this, demand had exceeded supply for green beans on the East Coast and caused prices to increase. This week we have continued to see the market spike and expect for this to continue into next week.

Quality: FAIR Supply: BAD

The domestic season has begun with a major obstacle. Sizing has leaned towards larger size leaving 6/8ct dews very limited. Growers have battled very low yields due to early rains in the growing cycle and are currently challenged with a labor shortage leaving some fields unharvested. The labor shortage could potentially become an ongoing issue throughout the domestic deal.

Quality: GOOD Supply: GOOD

Steady supplies with Iceberg Lettuce for this week. The current harvest is coming from Salinas CA and Santa Maria, CA. Expect to see some tip burn with the warm weather Southern, CA is experiencing. Supplies are expected to maintain steady for next week.

Quality: GOOD Supply: BAD

Supplies are steady with Romaine at this time. The current harvest is coming from Salinas CA and Santa Maria, CA. Supplies might decrease for next week, expect to see some tip burn on Romaine due to the Heat Wave southern CA is experiencing.

Quality: GOOD Supply: GOOD

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

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: GOOD **Supply:** FAIR

Lemons have been steady over the past month but have crept back up in the last week. As we move through June, smaller size fruit has become limited and will remain that way until Chile hits its stride in a couple weeks. We have seen a \$3-4 FOB rise in the past two weeks.

Limes



Quality: GOOD **Supply:** GOOD

Still seeing good supply on product crossing the border. FOB's increased slightly over the past two weeks with an overall increase of about \$2/case.

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

We have seen some pressure on price over the past three 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 have begun and will continue throughout the summer period. Navel's will stay available throughout the summer but trend on the larger size until volumes return in mid October.

Bell Peppers

Quality: GOOD **Supply:** BAD

ALERT



The Green Pepper market is still elevated but for the most part it's stable. Pricing pressure came down a bit this week for Red peppers. Supplies for Yellow Peppers is still tight while prices continue to be elevated.

Weekly Market Changes

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.

Potatoes



Quality: GOOD **Supply:** GOOD

The potato market has stabilized over the past month as we have seen weaker pulls across the country. Burbank crop will be shipping until the Norkotah variety begins in late July/early August. Smaller size product will be in high supply and lower market prices than 40's-70s.

Summer Squash **Quality:** GOOD **Supply:** BAD

ALERT



Pricing for both Green and yellow Squash jumped up this week. Supplies are tighter than normal due to weather over the growing cycle. Growers are not expecting supply conditions to improve until after the first of July.

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 good but has trickled up over the past week. Salinas/Watsonville are ramping up production and are leading with volume currently as Oxnard/Santa Maria are just about finished.

Tomatoes



Quality: FAIR **Supply:** FAIR

Prices for both Round and Roma tomatoes is trending down this week. Supplies for Cherries and Grape tomatoes is still very tight at this time. The price value is still in Roma's. Growers are expecting price to trend up in the weeks to come.

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. In the past week we have seen a surge in volume and anticipate this to continue with good weather on the forecast.



Industry Report

Exhibitors share experiences from first-ever United Fresh Live!

The Packer: June 19, 2020

Fresh produce companies that exhibited at the United Fresh Live! virtual trade show praised the organization for adapting amid the COVID-19 pandemic and creating a positive experience despite having to hold the event online.

Mayda Sotomayor, CEO of Vero Beach, Fla.-based Seald Sweet and a board member of the United Fresh Produce Association, said the virtual show was a hard sell initially but that United broke new ground by finding ways to emulate some of the key aspects of traditional trade shows, along with adding new tools.

"When Tom (Stenzel) and the team told us about this, we were just shaking our heads, saying — this was like three months ago — we were shaking our heads, saying, 'No, there's no way, we can't imagine,' and now it's a for-real thing, and I think we've made history," Sotomayor said. "The board really was courageous on taking the leap, and the staff on United, I know how hard they worked, so I think that everyone is very pleased."

She noted that connecting with buyers to the degree that happens on a traditional show floor was a challenge, but she added that, by the end of Power Hours the third day of the show, Seald Sweet had already had more than 1,000 visitors to its booth, probably more than it would have had at a traditional expo, along with lots of downloads of its content.

"I think we expanded our possibilities as much as we could, and some things we probably would never have done in a booth, present, face-to-face, we were able to do in our virtual booth," Sotomayor said, noting that the company's booth schedule included virtual meetings with growers from around the world and the company's category managers, plus a facility tour.

Measuring Success

Elad Mardix, president of Israel-based technology solutions company ClariFruit, which had a booth in the FutureTEC zone, said that while the biggest downside of the virtual booth is the difficulty of creating relationships, there are some advantages to the format.

"I have my list of targets, and even if they are not online, as long as I can make my pitch compelling enough, I can get them to a web seminar," Mardix said. The virtual platform allows exhibitors to see all the people who come to the booth and how they interacted with the content.

"Did they open your brochure? Did they look at your video? Did they try the demo? So you actually have much better indication on the intent (of attendees)," Mardix said. "Essentially it allows you to get to a much wider audience and actually pinpoint the person you need, even if he's not there."

"At (an in-person) trade show, if guy's not there, the guy's not there," Mardix said. He added that, if the Produce Marketing Association Fresh Summit takes place this year, organizers will need figure out how to combine the advantages of the in-person event with the data insights offered by a virtual trade show.

Brian Klesmith, senior business development manager for national accounts for Bancroft, Wis.-based RPE, also mentioned the analytics tool of the platform as a plus. "You can kind of see where the retailers are going," Klesmith said. "It gives us a feel for what they like and maybe the directions that we need to go in the future."

He also noted that the virtual booth, which has places to feature documents, videos and other brand assets, also exposes attendees to more information than they might be able to absorb during an in-person show. "For the retailer, it gives a little bit better scope, maybe, of things that we're able to do, rather than just talking on the floor about one individual product," Klesmith said.

Ande Manos, director of sales and marketing for Santa Maria, Calif.-based Babé Farms Specialties, reported good traffic. "We've seen a wide range of visitors in our virtual booth," Manos said. "We're in the process of evaluating and responding to all viable leads."

Platform for Conversation

Mark Munger, vice president of sales and marketing for Los Angeles-based 4Earth Farms, mentioned that the online booth has been a springboard for offline interaction. "The success of the virtual show is having your sales team buy into the concept," Munger said, noting that a number of buyers visited on the first day of the show and were engaged. "We are finding that they look at our booth and then call us real-time to ask questions. We had several good conversations (Monday), and it's always a positive sign when a customer calls with strong interest in an item."

Beyond the show floor, education opportunities ranged from general sessions to workshops to "coffee talks," which featured input from any attendees who wanted to contribute. Networking receptions were held on Zoom, with attendees split into groups that were reshuffled several times throughout the hour.

"Seeing so many people in the various breakouts during the receptions has been a highlight for me," said Jan DeLyser, vice president of marketing for the California Avocado Commission. "The general sessions have been really good as well. I have visited a number of the booths and agree with your team's comments (in recent videos) about the opportunity to see and hear someone talk via video as being a plus."

"All in all it has been a good experience, with potential for certain aspects to continue even when we are all able to be attending conventions and meetings again in person," DeLyser said. Andrew Carne, sales coordinator of Madison, Wis.-based Kronen Corp., said he has been talking with colleagues about the impressive job United Fresh did putting this interactive event together in such a short time.

"And this is the version 1.0. It's a great first version," Carne said. "It's a new world. Everything is always changing."