



WEEK 27: June 29 - July 05 , 2020

MARKET OUTLOOK



Strawberries

Alert

Spring Rains/Labor 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

Growing Region Transition



Green Beans

Alert

Regional Transition



Asparagus

Alert

Regional Transition

MARKET ALERTS



From Farm to Fork and Everything in Between®

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. In addition, the holiday week coming up is adding to additional volatility with certain commodities.

Central Valley CA is hitting it's 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.

Upper 60s

Upper 50s

Salinas, CA

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

Low 70s

Mid 50s

Lake Wales, FL

Thunderstorms all week.

Low 90s

Mid 70s

Watsonville, CA

Partly cloudy and sunny next week.

Low 70s

Low 50s

Alma, GA

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

Upper 80s

Low 70s

Ivanhoe, NC

Partly cloudy with thunderstorms mid and late week.

Mid 80s

Low 70s

Regional Transportation Report

National Diesel Average: **\$2.425**(wk 26)

2019 : **\$3.043**(wk 26)

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 Idaho, Southern New Mexico, McAllen, Yakima Valley. Shortage in Central & South Florida and Sout Carolina.

Weekly Market Changes

Asparagus

ALERT



Quality: FAIR Supply: BAD

Volumes on asparagus have dropped two weeks ago and have continued to decrease heading into next 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

Blueberries- Harvest has been pushed back in Oregon due to weather which has limited the marketplace. Supply is leaning on CA and what can be harvested off the East Coast, which has been limited due to rain and thunderstorms.
Raspberries- MX and CA are still going, although MX is finishing up and CA is getting going. Overall, supply is sitting in a good place with good numbers out of MX and CA. Should continue to see volume increase throughout July.
Blackberries- Overall not as active as straws and blues but still feeling the affect of summer holiday pulls. There has been some supply out of CA, GA and alittle out of MX all allowing for supply to reach demand and keep things steady.

Broccoli

ALERT



Quality: FAIR Supply: BAD

Broccoli Supplies continue to be very short. Demand has increased this week, growers are receiving better orders from distributors. Growers are having to deal with occasional pin rot inside the heads of Broccoli. Growers are reporting fair quality as this time.

Brussels Sprouts

Quality: FAIR Supply: FAIR



Lighter supplies continue with Brussel Sprouts this week. Quality is improving that will help improve supplies. Market is active prices continue to remain up but have released some. 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**

Cauliflower supplies did improve this week. Growers are harvesting better yield numbers. Demand has increased this week, Growers are receiving better orders from distributors. Growers are reporting fair to good quality.

Celery



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

Supplies continue to remain steady with Celery this week. The current harvest is coming from Salinas, CA. Good quality is been reported by multiple growers at this time. There is a higher demand for Celery this week.

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 change this week. Growers out of the East and West are reporting extremely tight supplies on corn. Production out of the West Coast isn't sufficient to cover demands. Price is not 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 weekend.

Cucumbers



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

Supplies and costing is under pressure this week. Production is in transition to different growing areas right now. This is putting pressure on supplies and costing.

Eggplant



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

Costing for eggplants came down this week. Good supplies and quality.

Weekly Market Changes

Chinese Garlic

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

ALERT



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.

Grapes

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.

Green Beans

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

ALERT



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.

Honeydew

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

ALERT



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.

Iceberg

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



Supplies continue to remain steady with Iceberg Lettuce this week. The current harvest is coming from Salinas CA and Santa Maria CA. Expect to see some tip burn and some cedar due to warm weather in Southern CA. Supplies are expected to maintain steady for next week.

Romaine Leaf

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

ALERT



Romaine supplies are very short this week. The current harvest is coming from Salinas CA and Santa Maria CA. Growers are experiencing lighter yields at the time of harvest due to quality. Some fringe burn and internal quality issues due to the warmer weather in Salinas CA.

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.

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 it's stride in a couple weeks. We have seen a \$3-5 FOB rise in the past few 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

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

ALERT

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. 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

Green Peppers - Green Pepper pricing worked its way up this week. Production is in transition to different growing areas right now. This is putting pressure on supplies and costing.
Yellow and Red Peppers - Elevated pricing on Color Peppers due to tighter than normal supplies this week. Production is in transition to different growing areas right now. This is putting pressure on supplies and costing.



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

ALERT



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

Prices worked up on both yellow and green squash this week. Production is in transition to different growing areas right now. This is putting pressure on supplies and costing.

Strawberries

ALERT



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

There has been a big turn in outlook for the summer months with Strawberries. Production numbers are limited due to weather in growing regions back in May. In addition, there are still some spotty labor issues and also some fields on their last legs providing processor quality berries at best. Watsonville has the best production numbers at this point but can't cover the demand heading into a heavy holiday week. We anticipate limited, active markets for the next month.

Tomatoes



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

Tomato market prices are trending up this week. Pricing for Roma's was up the most this week. Growers are expecting strong markets until after the 4th of July holiday.

Watermelon



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

Overall supply has been stable and no quality issues detected as we move into the most important two weeks of the watermelon season. Supply is slightly down from what it historically is at but there is also slightly less demand with foodservice numbers down.

Industry Report

Significant Improvements Announced to PTI's Traceability Guidance

Fresh Fruit Portal: June 26, 2020



The Produce Traceability Initiative (PTI) - consisting of CPMA, GS1 US, PMA, and United Fresh - has announced the release of four new or improved tools to support traceability implementation. These are: Canada/U.S. Harmonized Case Label; Template for Sharing Traceback Data with regulators; Revised Best Practices for Formatting Case Labels; and Updated ASN (AdvanceShip Notice).

“As the Canadian industry strives for compliance with the Safe Food for Canadians Regulations (SFCR) and the U.S. industry prepares for the September release of draft Food Safety and Modernization Act (FSMA) traceability- related regulations, traceability is increasingly a focus across the supply chain and with consumers,” said PTI Chair, Doug Grant of The Oppenheimer Group.

“These new and updated resources support a renewed commitment to traceability efforts and bring clarity and harmonization to the tools that support traceability.”

The Harmonized Case Label reflects an industry-wide collaboration amongst stakeholders to align on a label that would be accepted by buyers in the grocery and foodservice communities in both Canada and the U.S. Buyers from both countries worked through the winter to design and align on one label that meets both buyer and regulatory requirements and remains founded on global GS1 standards.

To bring confidence to the supplier community, part of the effort included confirmation of buyer commitment to the label via individual letters of support which are available on the PTI website.

To ensure clarity on the use of the label, the PTI Best Practices for Formatting Case Labels was updated and includes information to enable integration into operations regardless of the commodity being packed.

In addition, the new Produce Traceback Template initiated as part of the Romaine Task Force and finalized by PTI working groups is designed to transmit traceability data to regulators when a company is involved in a trace-back investigation.

The template was developed with guidance from the U.S. Food and Drug Administration (FDA) for produce companies to better manage responses to inquiries about potentially harmful products in the supply chain, regardless of whether or not they are PTI compliant.

Finally, as industry transitions to use of the ASN, the ASN 856 document was updated to reflect the updated EDI standard version 007050 UCS. This technical change supports the use of this electronic means for sharing both commercial and traceability information amongst trading partners.