



WEEK 24: June 8 - June 14 , 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



Broccoli Crown

Alert

Harvest Gap

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.



Regional Weather Forecast

Highs

Lows

Oxnard, CA

Sunshine and ideal temperatures all week with warmer temperature on Tues/Wed.

Mid 70s

Upper 50s

Salinas, CA

Sunshine and ideal temperatures all week with warmer temperature on Tues/Wed.

Upper 60s

Mid 50s

Huron, CA

Sunny and partly cloudy with hot days.

Mid 90s

Upper 50s

Watsonville, CA

Partly cloudy and sunny next week.

Mid 70s

Low 50s

Alma, GA

Thunderstorms throughout the week.

Mid 80s

Upper 60s

Idaho Falls, ID

Partly cloudy and sunny all week with possible rain over the weekend.

Low 70s

Upper 40s

Regional Transportation Report

National Diesel Average: **\$2.386**(wk 23)

2019 : **\$3.136**(wk 23)

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 Central & South Florida.

Weekly Market Changes

Asparagus

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



Grass supply continues to move in an upwards position. Peruvian product is making it out of the country and is now in excellent supply. This trend should continue until the market evens out in the next couple of weeks.

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 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: **GOOD**



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. Blueberries have been strong on the East Coast from FL and GA and are seeing a decent supply from the West Coast. Quality has been good across all three categories.

Broccoli

ALERT

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



Supplies will be light on Broccoli this week. Growers are currently working through a small planting gap. Growers are expecting better supplies for next week. Growers normally reduce plantings this time of year due to local crop offerings.

Brussels Sprouts

ALERT

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



Supplies continue to be very light. Poor quality at the time of harvest is the biggest challenge. Market is active and prices continue to remain escalated. Growers are expecting supplies to improve once local supplies start on June 15th

Cantaloupe

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



Domestic season has started and is looking to have a good month of June. This week was slightly down in volume due to a production gap in March. We anticipate better number next week as crop continues to mature with good weather on the forecast.

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**

Supplies on Cauliflower will continue to be light for this week. The current harvest is coming from Salinas, CA and Santa Maria, CA. Good quality is being reported by growers at this time. Growers normally reduce plantings this time of year due to local crop offerings.

Celery



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

Supplies will continue to be steady for next week. The current harvest is coming from Oxnard, CA and new crop from Salinas, CA. Good quality is being reported by growers. Good supplies are expected to continue for the next few weeks.

Corn

ALERT



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

Weather is the main factor for corn supplies right now. Rains in most regions has disrupted production. Supplies are extremely limited out of both the West and East Coasts. Prices are elevated. Growers are recommending that orders be given with extra lead times in order to help them secure supplies.

Cucumbers



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

Overall the cucumber market is stable. Production out of Mexico and Georgia is expected to remain the same for the next few weeks. Growers are reporting good quality.

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: FAIR

Domestic season has started and is looking to have a good month of June. This week was slightly down in volume due to a production gap in March. We anticipate better number next week as crop continues to mature with good weather on the forecast.

Iceberg



Quality: GOOD Supply: GOOD

Supplies will continue to be light for 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. Growers normally reduce plantings this time of year due to local crop offerings.

Romaine Leaf



Quality: GOOD Supply: GOOD

Supplies continue to be steady with Romaine Lettuce. The current harvest is coming from Salinas, CA and Santa Maria, CA. There is some tip burn to be expected going into next week due to warmer weather Salinas has received. 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 June, 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've seen another drop in price and should continue to see a surplus in the marketplace.

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 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



Green Bell Pepper supplies are picking up a bit right now but prices are still elevated. Growers are expecting production to increase in the weeks to come. Supplies for Color Bell Peppers continues to tighten up. Growers are expecting prices to be elevated for at least the next few weeks.

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**

The market for Yellow Squash is showing some strength this week. Most production out of the East is moving from Florida to Georgia. Mexico is still in play and California is expected to start production in a week or 2. Supplies for Green Squash is more plentiful and the market is expected to remain stable.

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 Round Tomatoes and Romas remain elevated this week. We're seeing some slight downward pressure on pricing today. Growers are expecting tight supplies through the month of June. Tomato supplies out of the East and West coast isn't sufficient to cover demands. Production out of Mexico is down and isn't enough to meet demands. Supplies for Grape & Cherry Tomatoes out of the East is extremely tight due to rains in growing areas.

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.

Nanobubble Technology Grows in Popularity, Offering Numerous Benefits for Horticulture

Fresh Fruit Portal: June 4, 2020

"Amid heightened focus in the agricultural industry on sustainability, food safety, climate change, reduction of chemical use, and generally producing more with less, nanobubble technology has been growing in popularity.

Nanobubbles are extremely small gas bubbles - no more than 100 nm in diameter and 2500 times smaller than a grain of salt - that have several unique physical properties that offer numerous benefits across many industries.

They have been researched for many years in a variety of applications including medicine, water treatment, cosmetics and textile industries. Recently nanobubbles have been used in agriculture to improve water quality, support beneficial biology and produce healthier roots and plants.

Warren Russell, CCO and co-founder of California-based Moleaer - one of the world's leading nanobubble companies - said the technology offers a range of benefits for both greenhouse and field horticultural crop growers including improved quality and vegetative growth and yields in crops.

He explained that Moleaer's technology is based on a gas infusion method it developed in 2016. In 2017, the company commercialized its technology with its pioneering industrial scale nanobubble generators.

"We were conceptualizing ways that we could create a scalable and reliable technology that was more efficient at supersaturating water with various kinds of gas. In agriculture our nanobubbles increase dissolved oxygen to improve plant and root health, and also produce added benefits including reducing algae, suppressing pathogens and promoting beneficial bacteria with a plug and play, chemical-free solution," Russell told FreshFruitPortal.com.

The team had been following nanobubble technology for a while in different industries and had noted that most of the systems in the market were focused on laboratory-type clean water conditions.

"We just didn't see how that was going to be able to work consistently in real-world conditions - on farms, in outdoor environments. We wanted to create something we could provide these industries that was easy to install, capable of treating a variety of water qualities and scalable to higher flows," he said.

The "turn-key" system the company developed includes all the controls and features that "really give the system this autonomous, simple to use, low-maintenance operation, which is what everybody's looking for," he said.

Benefits across the board

In horticulture, the main aim of the technology is to elevate the oxygen content and improve the quality of irrigation water, whether it be in storage tanks for use in greenhouses, or reservoirs or ponds for fields.

The gas from the nanobubbles dissolves over time into the water, and the benefits of this are many-fold. For one, oxygen nanobubbles help remove algae and reduce the amount of organic carbon in the water.

"It can significantly improve the clarity of the water, which is actually one of the most impressive things this technology can do. The benefits of cleaner irrigation water can have a big impact on plant health and development," Russell said.

An oxygen-rich environment around plant roots also helps with nutrient absorption, plant growth and disease suppression. North America has been the company's primary growth market where over 50 greenhouses or indoor farms have installed its technology. In 2019, the company opened a sales office in the Netherlands, a world leader in greenhouse production, which has been quick to adopt Moleaer's nanobubble systems. The technology has also been spreading to other agricultural countries around the world.

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In South America - into which Moleaer has recently made its first foray in horticulture through a commercial relationship with Chile-based Ag-Tech company Kapicua - these benefits are already being enjoyed by a diverse group of growers.

The technology is being used for numerous crops including blueberries, table grapes, tomatoes, avocados, cherries and citrus. Russell said that there has been an improvement in vegetative growth, which can result in earlier harvest time.

"Specialty crop growers can potentially reach their harvest weight sooner, so they have an opportunity to get to market faster. In some cases, we've seen up to 25% faster growth. In the case with blueberries, we saw better sizes, ranges and grades of fruit," he said.

Another important benefit is improving food safety, as the risk of crops becoming infected with pathogens like E. coli or Salmonella can be reduced. This is because when stored water is not well oxygenated or treated, the water is more prone to harboring and then spreading the pathogen onto the crops via the irrigation system.

"What we've demonstrated is by recirculating and treating that water with nanobubbles making sure it's well maintained - you can reduce the presence of pathogens in irrigation water that can either cause root diseases or be a food safety risk," he said. However, he emphasized that nanobubbles should not be used as a replacement for other food safety measures.

He added that technology provides an excellent return on investment, whether a nanobubble system is purchased or contracted as part of a service plan offered by certain partners. Considering the profit boosts growers can achieve thanks to yield or grade improvements, or being the first to market, the cost is relatively low.

All these factors have led Moleaer to see strong demand all around the world. Growth remains high in its more established markets like North America and Europe, and Russell said the company has had an "exceptionally good response" in South America since the recent expansion.

Popularity among all growing schools

Greenhouse growers remain a large part of Moleaer's customers, but Russell said that companies growing in soil perhaps stand to benefit the most from the technology.

"That's not just because our systems provide a non-chemical means of boosting plant growth, but it's also very low cost, easy to operate and maintain, and sustainable. I think people have really gravitated to that concept of being low cost but having a multitude of benefits that support their other inputs," he said.

And as well as appealing to organic and greenhouse growers, the technology is also popular among conventional growers.

It's clear that nanobubble technology has a long and bright future in agriculture. Moleaer recently launched its fifth-generation Neo generator for greenhouses - an area in which the company is already well established - and it is now looking to expand into other crop types and cultivar methods.

"For us, the end game is being able to provide an effective and convenient turn-key solution for outdoor specialty crops," he said. "We've seen the benefits now across multiple crop varieties and soil types. It is an underdeveloped market for a technology like ours."

"The next product that we would probably put into development is a nanobubble system designed for outdoor growers. We are currently working with a handful of these growers to learn about their needs to ensure we develop the right product for their application."