



WEATHER UPDATE

Salinas- Sunny to partly cloudy next week. Highs in the 80s and lows in the 50s. **Oxnard** - Sunny to partly cloudy next week. Highs in the 70s and lows in the upper 50s. **Mexico (Culiacan)-** Sunny to partly cloudy next week. Highs in the 100s and lows in the 70s. **Florida, Southern**— Mostly cloudy next week with chances of a scattered thunderstorms throughout the week. Highs in the 90s and lows in the 70s. **Idaho**— Sunny to partly cloudy next week with chances of thunderstorms next Friday. Highs in the 80s and lows in the 30s.

TRANSPORTATION

The National Diesel Average has been recorded at \$3.136 down \$0.015 a gal from last week and down \$0.073 gal from last year. 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. Trucks are in good supply up North, however there are shortages in Arizona, California, Florida, Texas, & North Carolina.**

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MARKET ALERT

Brussel Sprouts
Celery
Green Beans
Iceberg Lettuce
Parsley (Curly, Italian)
Potatoes
Red Cabbage
Snow Peas & Sugar Snap Peas

MARKET OUTLOOK



Apples



QUALITY  SUPPLY 

As we look into the Summer Months (June/July/August) - it appears Washington is in pretty good shape. Golds variety will be the only variety where we will be coming right to the end with new crop just starting so it will be tight, especially with small sizes. Gr Smiths, no problem with supply throughout the summer but... like golds - small sizes (125,138cts) will be a challenge. Fruit size -peaking on 72/80/88cts. Reds/Galas/Fujis, good supplies throughout the summer. Smaller sizes are not as plentiful as larger sizes, but we will have them for our customers. Honeycrisp, we should be able to get through the first week of August - maybe 2-3-week gap.

Asparagus



QUALITY  SUPPLY 

The asparagus markets are coming down on most sizes. Expect supplies on jumbo and xl to be limited due to weather & seasonality. Quality has been reported as good. Expect Baja & Mexico to continue with increasing volume. Domestic volumes are unchanged.

Avocados



QUALITY  SUPPLY 

The markets are steady over the past week. There is some discounting from time to time, but that is mostly dependent on quality & age. We are at the highest elevations, with fruit in very few hands. Demand in MX remains steady, even at the higher prices. Demand at the border is stagnant, but if there is even the slightest amount of demand there will not be enough supply around to cover. Peru is being sought after as an alternative, due to better pricing. Right now, most of the Peru fruit is going straight to programs that have been in place for a few months, but there is more on the way to the US, which will probably be available by the end of June.

Bananas



QUALITY  SUPPLY 

Markets are steady with good demand and consistent production. Quality has been reported as good.

Berries



QUALITY  SUPPLY 

Blackberries continue to produce in Mexico with smaller amounts. Georgia is starting. California is still a few weeks out. Market remains stable with good production this week but note that Mexico's production is expected to fall.

Blueberries remain very tight in Georgia as hot temps have impacted production & quality. North Carolina may be early, but they cannot cover the difference & are slow to start. Alabama is slowly increasing production along with Louisiana. Texas is a bit late, looking to start next week in a very small way. Expect tighter supplies this week.

Raspberries continue to produce good volumes in Mexico. Volumes are dependent on growing regions in Mexico and where the farmers are located in that region.

MARKET OUTLOOK

Broccoli



Better supplies this week. Market is trending downward this week but could possibly see a spike next week in the market. Fair to good quality been reported depending on the grower.

MARKET ALERT

Brussels Sprouts



Supplies are still a challenge this week with very limited availability. Growers are anticipating better supplies next week. Quality is being reported as only fair at this time. Growers are still pro-rating orders.

Cauliflower



The market continued to trend down this week. Seeing very good volume out of Salinas. Expect good supplies over for next week. Good quality has been reported with multiple growers.

Cantaloupes



Cantaloupe production has increased since last week with good volume anticipated over the next few weeks as the Imperial Valley & Central AZ production overlaps. Sizing has really been leaning to the larger sizes with mostly 9Js being packed leaving smaller fruit limited & at a premium. Quality has been very strong with solid external quality (good size, color, etc.). Internal quality is also at optimum levels with brix levels showing a range of 11-14% currently.

Carrots



Harvest just started in the Imperial Valley. Quality looks and yields looks good. Demand should fall off some with schools dropping out for summer. Expect no issues that should be a cause for concern.

Celery



MARKET ALERT



Celery / Processed Celery – Salinas has started with celery. Now with the over harvest of celery in Santa Maria, Salinas is the only region with celery this week. Growers are still pro-rating orders by 50%. We should see prices start coming down next week, the trend should continue down until we are back to normal.

Corn



Corn is seeing some upward pricing this week. Florida is winding down for the season. California has great supplies and quality. White is the main driver out West.

MARKET OUTLOOK



Cucumbers



QUALITY SUPPLY

Georgia still has cucumbers, but heat is a factor. Local production has started in KY, NJ and Eastern NC with more to come over the next few weeks. Mainland Mexico is likely to wrap things up sooner than expected as quality and volumes decline quickly. More shippers have started out of Otay, but cool weather has slowed down this week's volume. This area will see volume increases and become a stronger source of supply as weather warms up.

Eggplant



QUALITY SUPPLY

Eggplant is still snug this week but is showing signs of improvement. There are still a few eggs left in Plant City, but quality is not retail appropriate. Georgia farms have had some hiccups with quality on their new crops, but fruit is looking better this week & volume is picking up. Supply is a bit more challenging in the West, as Nogales is finished & the California desert has been slow to come with volumes.

Grapes



QUALITY SUPPLY

Imports are finished and now loading out of Coachella and Mexico. Red grapes—larger sizes still tight due to the later start and cooler weather. Larger fruit should stay strong as there are some ads out there taking a lot of the fruit out of the market therefore propping up the spot market. Green Grapes—Mexico is finishing up with Perlette & Early Sweets. Sugraones are just starting in both Mexico and Coachella. Once again ads are taking some fruit out of the market and increasing the spot market.

Green Beans



MARKET ALERT

QUALITY SUPPLY

The Florida growing season is over and the Georgia growing season is wrapping up. The high heat in Georgia has been affecting the crop and they are expecting heavy rainfall in the next week as well. The market will be moving to Tennessee and Virginia soon, but they don't have the volume to keep prices down. Prices could be in the high 20's by next week and will likely stay elevated through July 4th weekend.

Herbs



MARKET ALERT

QUALITY SUPPLY

Alert- Parsley (Curly / Italian) Supplies are light this week. Limited supplies available with multiple growers. Expect higher markets to last for another week. Good quality is being reported at this time. Chervil supplies remain tight. All other herbs are steady in supply with good quality.

Honeydews



QUALITY SUPPLY

Honeydew production has been slow to start with the domestic crop. Nogales crossings have dropped off significantly over the past week as the Mexican fruit struggled with quality at the end. We expect the domestic honeydews to fetch solid numbers over the next 7-10 days with supply remaining limited. Sizing has been a nice mix of 5/6s. Quality out of Arizona has been clean with very good internal quality.

MARKET OUTLOOK



MARKET ALERT

Iceberg



QUALITY  SUPPLY 

Market is higher this week due to minimal supplies available. Cool and foggy mornings are slowing production in Salinas. Expect markets to be higher next week due to the limited supplies available. Quality is being reported as good with multiple growers.

Kale



QUALITY  SUPPLY 

Good supplies reported by growers this week. Good quality is also being reported at this time. Expect markets to be stable for the next few weeks.

Leaf



QUALITY  SUPPLY 

Romaine- Supplies are steady in Salinas. Markets are stable & are expected to stay the same going into next week. Quality is fair as some growers are reporting some fringe burn depending on how far south some growers planted.

Green Leaf/Red Leaf and Boston/Butter Lettuce – Steady supplies this week are being reported. Good quality and good weights have been reported with multiple growers. Expect to see steady markets over the next few weeks.

Tender Leaf



QUALITY  SUPPLY 

The weather forecast calls for warmer temps starting this weekend & continuing through next week. Supplies of leaf lettuces are still abundant. Quality reports have improved this week as most areas are reporting good overall quality with few defects. There are still reports of fringe burn on the outermost tips of Romaine but reports of internal defects are minimal. Oxnard, Santa Maria and Salinas are the primary shipping points for leaf lettuces off the West coast.

Lemons & Limes



QUALITY  SUPPLY 

Limes – Volume continues to improve weekly with better volume on smaller fruit. Larger fruit remains light. Pricing is finally coming down. No quality issues have been reported.

Lemons – The lemon market is higher on small fruit, opposite of limes. Good volume on larger fruit. Expect higher pricing and tighter supplies on smaller sizes throughout the summer.

No quality issues have been reported.



MARKET OUTLOOK

Onions



QUALITY SUPPLY

The market is stable to slightly higher with good demand. Southern California & Texas is almost done. The San Joaquin Valley is the next region coming in but delayed due to weather issues. The same related weather issues are also causing delays in the Northwest. Expect higher pricing for the next few months, until the Northwest comes in. Quality is going to vary depending on region.

Onions, Green



QUALITY SUPPLY

Good supplies have been reported this week. Growers are reporting good quality at this time. Expect markets to be steady for the next few weeks.

Oranges



QUALITY SUPPLY

The market is increasing on small sizes. Large fruit are still super promotable with good supplies. Expect higher pricing & tighter supplies on smaller sizes throughout the summer. No quality issues have been reported.

Pears



QUALITY SUPPLY

Bosc - the State should be cleaned up in the next 2 weeks. Anjou Pears - Good supplies through July. Red Anjou Pears - We should be able to make it through June - it will be close.

Peppers, Bell



QUALITY SUPPLY

Georgia's peppers are plentiful as it has been pushed by the heat. Production out of GA is expected to continue for a few more weeks as supplies transition northward. Eastern North Carolina is on tap to start next week. Several growers on local deals in KY and VA are reporting that their pepper crops are ahead of schedule. They normally start around July 1st. Some will have fruit as early as June 20th. Western markets are mostly looking to the California desert for bells as Nogales shippers are in the final days of the season. The desert should have good production until the Bakersfield area comes fully online.

Peppers, Chili



QUALITY SUPPLY

Mexico has experienced some weather conditions that are affecting quality. Tomatillos have tightened up the past few days & may become limited over the next 2-weeks as Baja growers work through a gap between plantings. Quality is good on Jalapenos, tomatillos, & we are seeing some issues on serrano's, Anaheim's, & poblano. In the East, Plant City has excellent quality but light volumes on their usual assortment of chili peppers. Look for Georgia to start in 2-3 weeks.

Pineapples



QUALITY SUPPLY

Pineapple markets are trending towards smaller sizes. We are expecting to see less 5's and more 7's and 8's for the next 2 months. Quality is very good right now, climate in Costa Rica has improve which is optimal for maintain good quality.

MARKET OUTLOOK

MARKET ALERT

Potatoes



QUALITY



SUPPLY



The market is steady this week. Pricing remains steady to higher. Burbank potatoes are dominated by small sizes. Quality on Burbank potatoes are better than norks. Reports of pressure bruising and occasional hollow heart. Getting deeper into storage expect the market to continue to rise and quality remain an issue. New crop Norks will hit the market in mid-July.

Squash



QUALITY



SUPPLY



Heat has affected Georgia's squash yields and acreage as they move into the last days of their season. Squash is transitioning to regional/local deals as NC, NJ, VA and KY have all started their seasons. We're seeing Nogales shippers drop off daily as farms leave fruit behind due to quality issues. Fresno and Santa Maria production has been light so far, especially on yellow.

Strawberries



QUALITY



SUPPLY



Strawberries will remain steady through June, with Santa Maria / Oxnard decreasing and Salinas / Watsonville increasing. Santa Maria is also decreasing their forecast due to smaller fruit size. Northern California has increased volume due to less fruit damage than last week. The weather forecast is showing an increase in temps, which could affect the fruit size in all producing areas.

Tomatoes



QUALITY



SUPPLY



With Palmetto/ Ruskin wrapped up on rounds, production has moved to the Quincy area and South Carolina shore. Only a few growers have started up in Quincy, so numbers are light, but they should be running at full volume in another 10 days. South Carolina deals started last Saturday. The Western tomato scenario is similar to last week. Mature greens are available from the California desert for another week or so. Vine-ripe volume is building in Eastern Mexico and Baja. Production in northern California will start June 10th with supplies picking up weekly.



QUALITY



SUPPLY



Volume continues to pour in despite this historically being a bit of a slower time between the two biggest watermelon holidays of the year. In the face of this strong supply situation we have seen prices continue to dip with some increased acceleration over the past week reflecting the traditional weaker supplies that are not being experienced quite yet. Georgia & South Carolina are both getting off the ground. It comes at a time when Mexico looks to be on the wane & Texas seems to have hit their stride with fairly consistent, similar production the past two-plus weeks. The Western growing regions are still getting up to speed thanks to abnormally wet weather that seems to be continuing to persist.



MARKET OUTLOOK

MARKET ALERT

Red Cabbage (Alert)- Volume remains extremely short this week. Growers are reporting low yields. Expect better volume in a couple of weeks. Pricing remains escalated on red cabbage & processed red cabbage.

Snow Peas & Sugar Snap Peas (Alert)- Volumes are extremely limited this week. Fields have shut down due to recent markets. Quality is good. Please expect 50%-75% pro-rates this week.

Trump's border tariff threatens unsettle produce marketers

The certainty of stable trade relations between the U.S. and Mexico seemed to be evaporating in early June. U.S. importers of Mexican tomatoes have dealt with the reality of a 17.56% duty on Mexican tomatoes since the May 7 lapse of the suspension agreement between the Commerce Department and Mexican tomato growers. Drawing criticism from his own party, President Trump set a June 10 deadline on whether to apply a 5% tariff on all imports from Mexico. Trump initially threatened the first of a series of escalating tariffs on Mexican goods if the country doesn't do more to stop undocumented migrants crossing to the U.S. "If Mexico does not take decisive measures, it will come at a significant price," Trump said in a May 30 statement from the White House.

Mexican officials spoke with Trump administration officials June 5 but failed to reach a breakthrough. Talks were expected to continue. If no resolution is reached between the U.S. and Mexico on border control issues, Trump says the tariffs will be hiked to 10% on July 1, 15% on Aug. 1, 20% on Sept. 1 and 25% by Oct. 1.

Pushback

The potential tariffs were drawing television network news crews to Nogales, Ariz., where tons of vegetables cross into the U.S. daily, said Jaime Chamberlain, president of Chamberlain Distributing Inc. in Nogales. Chamberlain was interviewed by CNN June 5. "It's pretty crazy down here," he said. Crossings of Mexican produce into Nogales in early June included heavy shipments of watermelons and grapes. "We're right in the middle of everything, so a 5% tariff increase is fairly imminent and we should take the threat seriously," he said. "If it's 5%, it could go up to 10% or 15% — who knows what's going to happen?" Chamberlain said he strongly opposes Trump's tactics. "Mexico is our No. 1 trading partner and there is \$650 billion worth of trade going back and forth," he said. If the tariff does take effect, Mexico will likely respond with retaliation against U.S. imports, Chamberlain said. "Do we really think that Mexico's going to just stay quiet and not put mirror tariffs on 5% (of U.S. exports)?," he asked. "There's most likely going to be retaliation." And for tomatoes, adding a 5% tariff to an existing duty of 17.56% would make imports that much more difficult, he said. While the company will still distribute Mexican tomatoes, Chamberlain said the 17.56% duty has convinced his and other firms not to be a direct importer of Mexican tomatoes to avoid the responsibility of paying the high duty. Trump's threats for a new tariff were criticized by the Fresh Produce Association of the Americas, which represents importers and distributors of Mexican produce.

If the 25% tariff level is reached in October, Americans will be paying an extra \$3 billion for avocados, tomatoes, mangoes and other fruits and vegetables, the group said in a news release.

"This is a tax on healthy diets, plain and simple," FPA president Lance Jungmeyer said in the release.

"With the obesity epidemic, this is completely unacceptable and counterproductive in dealing with the migrant issue at hand."

The Produce Marketing Association said the issue could derail approval of the U.S.-Mexico-Canada Agreement.

"We urge the U.S. administration and the Mexican government to take immediate action to approve USMCA and remove all tariffs to preserve predictability and transparency in the marketplace," PMA said in a statement.

<https://www.thepacker.com/article/trumps-border-tariff-threats-unsettle-produce-marketers>

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 and our Midweek Update released every Wednesday. Have a great week!

Keeping You Informed,



Your Dedicated NPC, LLC Staff