



WEEK 31: July 27 - August 2, 2020

# MARKET OUTLOOK



Romaine Lettuce

**Alert**

Quality Issues



Strawberries

**Alert**

Smaller/Lower Yields



Chinese Garlic

**Alert**

Import and COVID Issues



Mixed Berries

**Alert**

Low Yields



Potatoes

**Alert**

Regional Transition



Brussels Sprouts

**Alert**

Quality and Lower Yields

## MARKET ALERTS

## OVERVIEW



The sunshine continues in CA as wet veg, citrus, stone fruit and mixed berries are all showing overall good quality. Markets are still active due to retail having heavy pulls and producing large swings in the marketplace. Until an extreme heat wave or heavy rain occurs in the central valley, we should continue to see good quality and steady supply.

Storage crop potatoes and onions are in the midst of transitioning back towards northern states which has put heavy pressure on potato pricing. Onions have remained stable but can expect some slight increases as we move regions. This week continued to show better numbers across all items which dropped the number of commodities on alert down to only six.

There is still major uncertainty in the marketplace as we wait to see how markets react to potential school closings and as states open/close with swings in COVID cases. Please continue to communicate with suppliers/distributors early to ensure the smoothest possible transition through these difficult times.

# Regional Weather Forecast

Highs

Lows

Oxnard, CA

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

Low 70s

Upper 50s

Salinas, CA

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

Low 70s

Mid 50s

Burlington, OR

Sunny and partly cloudy.

Upper 80s

Mid 60s

Watsonville, CA

Partly cloudy and sunny next week.

Mid 70s

Mid 50s

Alma, GA

Thunderstorms all week.

Low 90s

Low 70s

Idaho Falls, ID

Sunny and partly cloudy.

Upper 80s

Mid 50s

## Regional Transportation Report

National Diesel Average: **\$2.433**(wk 30)

2019 : **\$3.044**(wk 30)

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 Southern New Mexico, Northern CA, South Carolina and North Carolina. Shortage in Indiana, Illinois and Missouri.



# Weekly Market Changes

## Asparagus



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

Volume on asparagus is improving and markets have steadied out. Production out of MX has been strong while PE has been limited. Expectation is to have solid numbers throughout the July/August time period.

## 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: **BAD**

**ALERT Blueberries**- Numbers were down over the beginning of July but have began to pick up with WA and BC getting good weather and higher yields. There should continue to be a strong availability into August with Blues being the most promotable berry.



**Raspberries**- Overall supply is down with numbers being limited out of CA and also being the primary producer at this time. Should continue to see volumes limited until MX can pick back up in mid to late August.

**Blackberries**- Quality has been good but numbers are limited with yields being smaller than expected out of Watsonville up to this point in the summer. Growers are planning to have volume hit as we move into mid August but expect limited volume up to that point.

## Broccoli



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

Broccoli supplies are steady this week. There have been normal yields at the time of harvest and growers are reporting good quality. Supplies are expected to remain steady going into next week.

## Brussels Sprouts

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

**ALERT**



Brussels Sprout supplies are steady this week with normal yields at the time of harvest. Growers are reporting good quality and supplies are expected to keep improving going into next week.

## Cantaloupe

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



Coming out of a limited marketplace due to sizing issues, the supply has now picked back up and began to balance out. Growers have battled very low yields due to early rains in the growing cycle and were challenged with a labor shortage. Fortunately yields have picked back up and the melon market has begun to catch up with Summer demand.

# 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: **FAIR**

Cauliflower supplies are lower this week due to lower yields this at the time of harvest. However, growers are reporting good quality this week and expect to remain steady going into next week.

## Celery



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

Celery supplies are normal for this week with normal yields at the time of harvest. Good quality is been reported by multiple growers. Supplies are expected to stay steady going into next week.

## Cilantro



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

Cilantro supplies are good this week. Growers are expecting steady supplies the next few weeks. Good quality is been reported by multiple growers at this time. Demand for Cilantro has decreased this week.

## Corn



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

Corn prices were slightly down this week. Production is up right now and is expected to remain steady next week. Growers are reporting nice quality.

## Cucumbers



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

Cucumber production is in full swing around the country. Prices are pretty much at rock bottom. Growers are reporting nice quality. Look for the trend to continue for the next few weeks.

## Eggplant



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

Tight supplies for Eggplant is keeping costing higher than normal. Growers are looking for a slight downtrend in pricing next week.



# Weekly Market Changes

## 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.

## Grapes



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

We have made our way into domestic season and we are now seeing good volume in the open market. Price has come down as supply has picked up. We anticipate this to continue moving through July. There has been pressure on green grapes and have created limited supply over the past week.

## Green Beans



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

Green Beans are coming back off alert as new regions have picked up the slack in the lopsided marketplace. Virginia began harvesting last week which relieved a lot of pressure and brought pricing back down.

## Honeydew



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

Coming out of a limited marketplace due to sizing issues, the supply has now picked back up and began to balance out with Honeydews. Growers have battled very low yields due to early rains in the growing cycle and were challenged with a labor shortage. Fortunately yields have picked back up and the dew market has begun to catch up with Summer demand.

## Iceberg



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

Lettuce supplies are lower this week. Growers are reporting lower yields at the time of harvest although also reporting good quality and good weights. Supplies are expected to stay steady going into next week.

## Romaine Leaf

**ALERT**



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

Romaine supplies continue to be lower this week because of lighter yields at the time of harvest. Growers are reporting fair quality at this time with occasional fringe burn. Supplies are expected to stay light going into 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.

# 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: GOOD**

Currently working with CA and import Chilean/Argentina lemons. Because of the heavier winds in the CA region, a lot of choice product with slight scarring comes out of that region. The import fruit is better condition but also is tending towards larger sizes, 115/140ct. No supply gaps foreseen in the upcoming month.



## Limes

**Quality: GOOD Supply: GOOD**

Still seeing good supply on product crossing the border but there has been upward movement on pricing, especially over the past week. Seeing FOB's up about \$4-5 across the board.



## Onions

**Quality: GOOD Supply: GOOD**

California has had a great crop this year and is getting to the latter end of its season. Markets have been steady over the past few weeks and have trickled up about \$.50 over the past week. We anticipate CA to continue to wrap up as we move into OR crop and back into the Northwest.



## 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: FAIR**

There is currently a mixture of Valencia and Navel fruit in the marketplace. Domestic Vals are a summer crop and often tend to a smaller fruit but this year are sizing up to larger sizes and leaving the 113/138 market more limited. Chilean import Navels are seeing larger fruit as well as most are 88ct or larger. Import fruit will continue till Oct.



## Peppers, Bell

**Quality: GOOD Supply: FAIR**

**Green Peppers** - Green pepper pricing came off again this week. Production around the country is picking up. Growers are looking for a downward price trend next week too.

**Yellow and Red Peppers** - Yellow and Red pepper cost are still elevated. We should see color pepper prices trend down next week along with greens.





# 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 ALERT



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

The potato market has taken a quick turn in the past week and have seen markets climb as storage crop is becoming limited as the summer season continues. FOB's have increased this week to about \$19 with some suppliers being out until new crop over the next few weeks.

## Summer Squash

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



Supplies for Yellow and Green squash are abundant and quality is improving this week leaving pricing very attractive. The market is expected to remain steady next week.

## 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 coming out of holiday pulls this week. We anticipate limited, active markets for the next month until Santa Maria begins again around 8/10.

## Tomatoes

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



Tomato costing was up a bit this week. Growers are reporting a fairly tight market for product out of the East Coast. Product out of Mexico is pricing a little higher this week but is more competitive than domestic product. Growers out of the East are expecting tight supplies for the next few week which will continue to put pressure on costing.

## 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

## Hatch Chiles Make Early Debut at Rouses to Kick Off Hatch August

The Packer: July 24, 2020

Rouses Markets has big plans for Hatch chile season.

The Thibodaux, La.-based retailer is making the favorite seasonal pepper the focus of total-store events throughout late July and August.

Rouses procured the first Hatch chiles of the year in mid-July for a sneak peek event in Baton Rouge, La., that featured roasting in front of the store, fresh and roasted Hatch chiles in the produce department, and numerous products from the other fresh departments that incorporate Hatch chiles.

"It's not just for produce; it's for the entire store," said director of produce Rob Ybarra. "We're going to make Hatch chile burgers, Hatch sausage, Hatch brownies, Hatch cornbread, even the seafood department's going to partake in the fun and do some things with Hatch crabcakes, so we're planning the entire month of August as Hatch August, and we've got all of our stores laser-focused on creating an event around Hatch, around the beautiful flavor of Hatch."

The season for the pepper usually lasts roughly 5-6 weeks, and the sweet spot is the first three weeks of August, Ybarra said. Each of those weeks, 16 Rouses locations will be doing events focused on Hatch chile peppers, with roasting outside, for a total of 48 stores over the three weeks.

"It's almost like a Hatch traveling roadshow," Ybarra said.

Hatch chile roasting is a favorite summer event in a number of locales, but the events will look different this year due to the COVID-19 pandemic and required safety precautions, which include wearing masks and following social distancing practices. That being the case, sampling won't be happening this year, but Ybarra said he's confident the events can still engage consumers even though they won't look quite like they have before.

Another element of the events that will be different this year is the timing; this season, they will take place on Friday afternoons and Saturdays.

"It's quite interesting that before, Sunday was our biggest selling day of the week, and now it's Friday," Ybarra said. "During this COVID-19 pandemic, Friday has become our No. 1 day for sales, so we've changed it around a little bit due to COVID."

Outdoor events are a regular part of the schedule for Rouses.

"We have crawfish boils out there when it's crawfish season, every Friday we do baby back ribs," Ybarra said. "The customers here really love our outside events ... It's food theater, and they really love it. We love doing it every weekend, so it just ties in nicely to the food theater events of the week."