



WEEK 34: August 17 - August 23, 2020

# MARKET OUTLOOK



Romaine Lettuce

**Alert**

Quality Issues



Chinese Garlic

**Alert**

Import and COVID Issues



Pineapple

**Alert**

Weather



Potatoes

**Alert**

Regional Transition



Limes

**Alert**

Weather

## MARKET ALERTS

## OVERVIEW

The sunshine continues in CA as wet veg, citrus, stone fruit and mixed berries are all showing overall good quality. There is higher temperatures on the forecast out of CA growing regions in particular in the evenings, which could impact yields and quality over the next couple weeks. 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 five. 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.



From Farm to Fork and Everything in Between

# Regional Weather Forecast

Highs

Lows

Oxnard, CA

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

Upper 70s

Mid 60s

Salinas, CA

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

Upper 70s

Mid 60s

Santa Maria, CA

Sunny and partly cloudy.

Mid 80s

Mid 60s

Watsonville, CA

Partly cloudy and sunny next week.

Mid 80s

Low 60s

Knoxville, TN

Thunderstorms all week.

Mid 80s

Mid 60s

Idaho Falls, ID

Sunny and partly cloudy.

Mid 90s

Mid 50s

## Regional Transportation Report

National Diesel Average: **\$2.428**(wk 33)

2019 : **\$3.011**(wk 33)

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.

**Slight shortage in San Joaquin Valley, Southern California, Southern Regions with shortages:** New Mexico, and Yakima Valley. **Shortage in Delaware, Indiana, Illinois, Missouri, North Carolina.**

# Weekly Market Changes

## Asparagus



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

Volume on asparagus has improved and markets have steadied out. Production out of MX has been slightly affected by weather but PE has been on the strong side to help numbers. Expectation is to have solid numbers throughout the August time period.

## Avocados



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

Overall the market is stable but we are seeing retail driving the market. Currently California, PE, and MX product have been in good supply. So far there has been sufficient quantity and quality of product crossing the border.

## 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**- Solid numbers and quality continue to pour in from the Pacific North West and BC. Currently the most promotable berry and should continue to have strong availability into August.

**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 the next two weeks.

**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 improve as we move into next week.

## Broccoli



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

Broccoli supplies continue to be good this week. Growers are getting good yields at the time of harvest. Growers are reporting good quality. Supplies are expected to remain steady going into next week.

## Brussels Sprouts



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

Brussels Sprout supplies are very good this week. Growers are reporting very good yields and good quality. Growers are looking to promote Brussels Sprouts at this time. Supplies are expected to remain strong for a few weeks.

## Cantaloupe



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

Coming out of a limited marketplace due to sizing issues, the supply has now picked back up and began to balance out. Fortunately yields have picked back up and the loupe market has begun to catch up with Summer demand. Sizing has been yielding stronger on larger sizes, 9/9J.

# 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

Cauliflower supplies continue to be good this week. Growers are getting good yields at the time of harvest. Growers are reporting good quality. Supplies are expected to remain steady going into next week.

## Celery



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

Celery supplies continue to be good for this week. Growers are reporting steady yields at the time of harvest. Growers are reporting good quality and good weights at this time. Supplies are expected to remain steady for a few weeks.

## 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 came down again this week. Production is increasing with local programs coming on board. Growers are reporting slightly weaker consumer demands.

## Cucumbers



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

Pricing for Cucumbers was slightly up this week for Hot House grown product although pricing remained steady for Slicing Cucumbers. Growers are still reporting some quality challenges due to heat.

## Eggplant



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

Prices for Eggplants came down again this week. Growers are reporting good supplies and low consumer demands. This is helping to keep pricing in check.

# 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 August.

## Green Beans



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

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

Coming out of a limited marketplace due to sizing issues, the supply has now picked back up and began to balance out. Fortunately yields have picked back up and the honeydew market has begun to catch up with Summer demand. Sizing has been yielding stronger on larger sizes, 5/5J.

## Iceberg



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

Lettuce supplies have improved this week. Growers are reporting better yields at the time of Harvest. Growers are reporting good quality and good weights at this time. Supplies are expected to remain steady for a few weeks.

## Romaine Leaf

**ALERT**



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

Romaine supplies are showing signs of improvements. Growers are getting improved yields from harvest this week. Lettuce Romaine Hearts continue to be very limited with supplies. Supplies are expected to remain steady going into next week. Forecast for Romaine is positive with better supplies.

## 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: **FAIR** 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

**ALERT**

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

Limes have taken a quick turn and hit a spike in price. A commodity that is known to have heavy swings started to swing upwards two weeks ago and have continued to stay high into this week. Seeing FOB's in the \$30 range and weather in growing regions have created an even tighter market.



## Onions

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

California has had a great crop this year but is now at the end of the season. Markets have been steady over the past few weeks and have trickled up about \$.50 over the past week. Now that transition has begun back to ID and OR, there is some lagging availability in Super Colossal and larger size onions.



## 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. The market is also being pushed up some with USDA food boxes grabbing a large chunk of open market supply.



## Peppers, Bell

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

**Green Peppers** - Green Pepper pricing was off a little this week. Supplies are picking up as local production around the country come on line.

**Yellow and Red Peppers** - Pricing for Color Peppers seems to be increasing slightly at this time. Growers are expecting steady supplies and prices next week. Be on the lookout for quality issues for product out of the East due to rains.



# Weekly Market Changes

## Pineapple

**ALERT**



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

Volumes for the next few weeks are going to be very low. Weather has been the major causation as major rains have followed with hot high sun. This has caused off the chart brix level and bent crowns. Weather conditions like this can cause misshaped crowns and puts pressure on lower yields.

## 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 \$20 with some suppliers being out until new crop over the next few weeks. Quality has been a concern as storage crop has turned limited.

## Summer Squash

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



Pricing for Green and Yellow Squash was steady this week. Growers are reporting possible quality challenges for product out of the East due to wind and rain associated with the recent hurricane.

## Strawberries

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



The strawberry market is currently recovering and has taken initial steps to become more available. The last few weeks have been heavily reliant on only Watsonville, but starting next week Santa Maria will be opening up and should help to take some pressure off pricing. Straws are off alert but still on watch as CA growing regions are heating up and Labor Day pulls are around the corner.

## Tomatoes

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



Tomatoes grown out of the Eastern part of the USA experienced downward pricing this week. Growers are reporting that low consumer demands is driving the prices down even though the weather and growing conditions out of the East hasn't been optimal. Prices for tomatoes imported from Mexico Growers & out of California trended down this week too. Production is picking up out of many regional and local areas. This is helping to keep pricing in check.

## Watermelon

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



Overall supply has been stable and no quality issues detected. Supply is slightly down from from previous weeks but is about in line with historical patterns.

# Industry Report

## Post-Harvest Solution Can Benefit Environment

The Packer: August 11, 2020

An innovative approach to extending shelf life of avocados may end up reducing waste, saving energy and having an all-around positive impact on the environment, says the company that recently debuted the exclusive post-harvest technology.

Oxnard, Calif.-based Mission Produce Inc. now is using a post-harvest solution called AvoLast Powered by Hazel to extend the shelf life of avocados by several days, said Patrick Cortes, Mission's senior director of business development.

"It's a quarter-size packet that you put into a box, and it blocks the ethylene receptors of the avocado from absorbing ethylene, which inhibits the ripening process," Cortes said.

The technology — 1-MCP (1-methylcyclopropene) — is not new to produce. "It's been around for a while," he said, and is common in the apple industry.

Created by Chicago-based Hazel Technologies Inc. — a U.S. Department of Agriculture-funded startup company — AvoLast is different from the one-step process used with apples, Cortes said.

AvoLast is "an organic process" that works over the course of several days, he said, "which gives us a better extension of the shelf life."

"Another added benefit is a longer preservation of the internal quality," he added, though he emphasized that AvoLast does not enhance the quality of the avocado.

The fruit is not treated with anything, he said. "There is no residue."

The technology is designed specifically to treat fruit in a small area, Cortes said, and it can be integrated anywhere in the supply chain. It could be placed in a container before it is shipped off to India, or it could be used with fruit destined for the Pacific Northwest after it has been ripened, he said.

Although Hazel technology has been used with other commodities, Mission Produce formed an exclusive partnership for hass avocados in 2019, Cortes said.

The technology is especially relevant during the coronavirus pandemic, where consumers are visiting supermarkets less and buying larger quantities of produce when they do go to the grocery store, he said.

"We need to make sure people are eating healthy because that is one of the main ways to ward off the virus, in addition to other safety precautions," he said.

AvoLast can extend the ripe level of avocados by two to three days, Cortes said. "That gives the retailer two to three more days to sell through that fruit," he said. "The benefit to the retailers is lower shrink and lower waste, which improves their bottom line."

Consumers also would be less likely to throw fruit away. Reducing waste is an important part of the program.

"We want to have the financial benefit and the positive experience increase for the consumers," Cortes said, "but just as important is making sure we're putting less avocados — less food in general — in landfills."

Reducing waste has other benefits as well, such as saving water and other resources expended in growing and handling the fruit.

In a news release announcing the AvoLast program, Aidan Mouat, CEO of Hazel Technologies, said that, in the U.S. alone, food distribution waste consumes about 6% of the total energy budget, 24% of the fresh water and generates about 300 million metric tons of harmful carbon emissions.

AvoLast also can be beneficial for foodservice, where managing food costs is particularly important during the coronavirus pandemic, Cortes said.

AvoLast gives foodservice operators "more peace of mind and a lot more confidence in what their inventory positions are," he said.

AvoLast, which is compatible with both ripe and green avocados, was poised to launch with a handful of retailers earlier this year, but then the pandemic hit.

"That put everything on hold," Cortes said. The project is ramping up again as retailers continue to seek opportunities to reduce shrink, he said.

There's even a major trial with a large restaurant chain.

There are varying degrees of shrink in different regions across the country and with different buyers, Cortes said.

"If you're struggling with a high percentage of throwaways on avocados, this is definitely something that can significantly cut down those numbers, and do it in a very quick manner," he said.