



WEATHER UPDATE

Salinas— Sunny to partly cloudy next week. Highs in the mid-70s and lows in the upper 50s. **Oxnard**— Sunny next week with highs in the mid-70s and lows in the upper 50s. **Mexico (Culiacan)**— Partly cloudy next week with chances of isolated storms next Sunday. Highs in the upper 90s and lows in the upper 70s. **Florida, Southern**— Cloudy with chances of scattered thunderstorms throughout the entire week. Highs in the 90s and lows in the upper 70s. **Idaho**— Mostly sunny next week. Highs in the 90s and lows in the 50s.

TRANSPORTATION

The National Diesel Average has been recorded at \$3.011 down \$0.021 a gal from last week and down \$0.215 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 in most of the country, however there are shortages in Delaware, Maryland, Eastern Shore Virginia, SW Indiana, & SE Illinois.

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MARKET ALERT

ASPARAGUS

BRUSSELS SPROUTS

CILANTRO

COLORED BELL PEPPERS

POTATOES

ROMAINE HEARTS

SWEET POTATOES

COMMODITIES ON THE RADAR:

Cucumbers, Corn, & Pineapples

MARKET OUTLOOK



Apples



QUALI-



SUPPLY



Washington had a shorter crop during the 2018 season than in 2017 – an estimated 117 million 40-pound boxes compared to 133 million boxes -- said Toni Lynn Adams, communications outreach coordinator for the Washington Apple Commission. “We can expect some increased volume and a solid crop moving into the new season,” she said in late June. Red delicious, gala, golden delicious, granny smith, Pink Lady, Honeycrisp and fuji are the top sellers for the data.

MARKET ALERT

QUALITY



SUPPLY



Asparagus



Markets continue to get worse & **prorates** have begun, mainly in larger sizes but that is trickling down to smaller sizes. FOBs in the high \$20s- \$30s across the country. JBO, XL are very tight which is affecting large with the demand. Mexico has finished production, & Peru is still being affected by cold weather. Volume is just getting tighter, & demand is increasing. Air freight has also dramatically increased which has had an impact on costs as well. We expect the supply issues & increased freight costs to last for up to three weeks.

QUALITY



SUPPLY



Avocados



Mexican avocado markets have become stronger over the last week. Rain & low demand for the last week or so has allowed the current inventories to get cleaned up. Mexico will be limited over the next 4-6 weeks until the new crop starts in September at some point. 40's and larger continue to be a smaller percentage of the crop size for now, but reports are that the new crop will have better size in it. Peru will be winding down over the next few weeks, stretching into September. California is basically finished, with most growers done until next year. #2 fruit continues to be a very small percentage of the crop.

QUALITY



SUPPLY



Bananas



Bananas are in a good rhythm as we approach the fall. Supplies and quality are good.

QUALITY



SUPPLY



Berries



Blueberries continue to be steady in supply as the market edges upward. This is due to some areas transitioning from their first crop plantings into their secondary varieties. Look for the market to remain steady with slightly higher undertones moving into next week.

Blackberries remain snug with many shippers subbing into the more available organics to help fill the demand. Look for the market to remain firm with some light shortages as we move into next week.

Raspberries are in short but steady supplies. Quality has varied as much of the fruit is being transferred considerable distances to consolidate with the other mixed berry shipments.



MARKET OUTLOOK

Broccoli



Supplies are about normal for this week. The markets are expected to be steady going into next week. Good quality is being reported by multiple growers.

Brussels Sprouts



Supplies continue to be very light this week. Harvest yields are coming in lower than expected. Markets are expected to be higher going into next week. No quality issues have been reported.

Cauliflower



Supplies are about normal for this week. The yields coming from the fields are a lot lower than expected. We are expecting for the market to be up next week. Good quality is being reported.

Cantaloupes



Heat has hit the growing region which has accelerated some fields a little earlier than anticipated. The small gap experienced the past few weeks due to delays in planting back in the spring will cause some fields to double up on growers as the harvest schedule bunches up some. This will cause more fruit to hit the market at once which will apply some pressure to the market. Sizing, which has seen a decent mix the past two weeks, will once again push larger as the warmer temps push the fruit to increase by at least a size. The quality & pack continue to produce optimal levels both externally & internally. Brix levels are mostly in the 12-15% range with some attaining higher levels.

Carrots



Supplies are steady. Jumbo carrots seems to be short. This has pushed prices up a bit but Canada is starting so that may change. Quality is good right now and we don't expect to see any changes in the near future on that.

Celery



Good supplies available for this week. Markets are expected to be steady going into next week. Good quality has been reported by multiple growers.

Corn



ON THE RADAR: Expect supplies to be tight as demands pick up closer to the Labor Day holiday. After Labor Day supplies will increase. Volume is limited. Northern regions like Minnesota and Wisconsin is seeing a slightly later than normal start to production.

MARKET OUTLOOK



Cucumbers



ON THE RADAR: The cucumber market has tightened up this week, expect higher pricing from all growing regions. Supplies is tight out west, and the east is dealing with rainstorms in several growing areas. Quality is fair at best. **Expect higher markets and some pro-rates this week.**

Eggplant



Moderate supplies available in Bakersfield, Fresno, and WA state for the West and several states in the East. To the West quality is good, but sizing is down a notch and mostly choice grade supplies. Supplies should pick up next week as out East, MI and Ohio have started to pick up production over the past week. Demand is low and pricing is staying steady.

Grapes



Red Seedless Flames will be finishing up in the next two weeks. We will begin to see Magenta, Krissy, and Scarlet Royals. Movement has been good, and prices will be stable through August. With green seedless, we are finishing up on Sugraones and moving to Princess and Thompsons.

Green Beans



The market is mixed this week. Limited supplies in the East and strong market. Quality is just fair. To the West, moderate supplies and demand. Quality in the West is good.

Herbs



ALERT on Cilantro: Cilantro supplies remain limited this week, due to very low yields at the time of harvest. The market is very active on the West Coast. **Chervil** supplies will remain limited through August. All other herbs are steady with good quality.

Honeydews



Honeydew production has seen a shift with sizing mostly in the mid-ranges (6/8s) now. Strong demand on smaller fruit has the 8s fetching a premium in the market. We expect daily harvests to remain consistent over the next 7-10 days. Aside from occasional wind scarring on some of the honeydews externally the overall fruit has been very good. Honeydews have been cutting with a range of 11-14% brix levels dependent upon sizing.



MARKET OUTLOOK

Iceberg



Supplies are light for this week. Expect markets to be stronger going into next week. Good quality is being reported at this time.



Kale



Good supplies available this week. Markets should be steady going into next week. Good quality has been reported by multiple growers.



Leaf



ALERT: ROMAINE HEARTS – Demand continues to rise this week. Supplies are trending lower than normal. However, there are still quality issues; fringe, wind burn, & light twist. Markets continue to stay escalated this week. **Romaine** lettuce supplies are light this week. Expect markets to be stronger going into next week. Good quality is also being reported.



Green Leaf/ Red Leaf/ Butter (Boston) Lettuce- Steady supplies available for this week. Expect markets to be higher going into next week. Good quality has been reported at this time.

Tender Leaf



Tender Leaf supplies continue to be plentiful as the weather in the Salinas Valley continues to spur growth and produce better yields. Curly parsley, spinach, and arugula have reacted to the recent warm weather and supplies look to be in good shape going into next week.



Lemons & Limes



Lemons -This market is steady for the most part with most all choice fruit in the \$20s. Bigger fruit remains more competitive than smaller, but even mid-range has jumped up a bit. Fancy remains in the high \$20s & low \$30s with good demand across the board.



Limes -Remain steady with the recent increase; large fruit remains at a premium compare to small fruit as to be expected. Quality is challenging; as weather starts to affect the crop, expect prices to remain steady higher for a couple of weeks. Fobs remain all in the teens, with smaller fruit at the bottom & larger fruit at the top of the spectrum.





MARKET OUTLOOK



Onions



The market continues to come down and remain steady as more regions come on. FOBs in CA have JBOs around \$10, while Idaho area remains around \$11. Seeing good demand and we should be back completely in the northwest in coming weeks. Whites remain in the mid to high teens and reds around \$7-8.

Onions, Green



Supplies are good for this week. Markets are expected to be steady going into next week. Good quality is also being reported at this time.



Oranges



Valencia oranges are still rolling steady and very promotable. With all choice fruit around \$12-15 & fancy \$14-18. Demand is average and no issues on quality have been reported. Supplies on smaller fruit is a bit tight, due to schools starting back up.



Pears



Pear season is about to kick off! Harvest has begun for sweet and juicy Bartlett and Starkrimson pears. Soon they will be making their way! You can expect to see the first batch of these delicious beauties in September.



Peppers, Bell



AALERT: Red & Yellow Peppers- The market on red bell peppers remains high & yellow peppers markets are steady. Light supplies of red & yellow bells being harvested in Bakersfield & Fresno growing area. Mostly choice grade currently being packed from these districts. Light supplies also available to load in McAllen, TX. **Expect higher pricing and pro-rates this week.**

Green bells- Pricing is down this week. Supplies have improved in all growing areas. West is being supplied by CA & MX, while the Carolinas & Michigan are supplying the East. Quality is fair due to having a mixture of new and old crop.



Peppers, Chili



Good volume of chili peppers this week, available from both California and Mexico. Moderate supplies on Anaheim and serrano peppers. Quality is good. The East is putting along with small local deals.

MARKET OUTLOOK



Pineapples



QUALITY



SUPPLY



ON THE RADAR: Pineapple supplies are expected to remain low at least until the end of August. Sizing trend is moving slowly towards larger sizes which will help with 5 and 6ct availability. Quality is pretty good and expected to remain good thru the end of the year.

MARKET ALERT

QUALITY



SUPPLY



Potatoes



The market is high & steady. FOBs hitting \$20 on big spuds, \$12-16 on smaller & #2s are rising. We are at the end of the crop here & quality is of high concern. Harvest is beginning for some while others are gapping from week to week. Look for this market to remain high & tight until September. NAPMN expects US growers to produce 428.5 million cwt of potatoes in 2019. That is 7.4 million cwt less than the current estimate for the 2018 crop, a 1.7% decline.

Squash



QUALITY



SUPPLY



Strawberries



QUALITY



SUPPLY



The recent warmer weather has brought some of the smaller fruit on to full red color a little faster than most growers would like to see. Expect to see a drop-in berry sizing as the smaller fruit gains color faster than it gains size. The market remains firm with higher undertones as we see the Watsonville & Salinas areas move to the downhill side of peak summer production & schools begin to drive additional demand. Santa Maria is also experiencing later stage fruit issues with newer fields beginning to break late next week for some shippers.

Tomatoes



QUALITY



SUPPLY



Markets have risen in all growing regions. Round tomatoes light to moderate in most Eastern production areas this week. Small fruit is on the short side & quality can vary from good to fair. Out West the CA deal is shipping less this week as farms work through plantings affected by June's heat wave. East Mexico & Baja continue with steady volumes. Small fruit is also short out West. Expect supplies to may remain somewhat snug for the next couple of weeks. Roma tomatoes are up for the week in both the East & West. The West is being supplied by CA & Mexico. Quality has been a struggle in both coast due to the recent high temps & rainstorms.

Watermelons



QUALITY



SUPPLY



Limited volume available from multiple growing regions. We continue to see volume drying up a little earlier than normal. CA & IN look like the largest contributors to the market, but several regions are also kicking in aplenty. While the downturn is always inevitable it does look like it's coming a touch early this year creating a bit of a widening gap over the last week or two. We aren't quite at the cliff edge that comes immediately after Labor Day, but if the trend continues that shelf might also be a week or so early.



MARKET OUTLOOK

MARKET ALERT

ALERT: SWEET POTATOES- The market continues to be tight. New harvest is beginning, and the market should really start to drop next week but take a few weeks to balance out. Still seeing very high prices and sourcing difficulties across the country.

Mushroom producers face rising costs

BY CHRISTINA DIMARTINO | AUGUST 15, 2019

American Mushroom Institute has reported that U.S. mushroom growers are facing rising costs. The Avondale, PA-based organization represents growers, processors and marketers of cultivated mushrooms in the U.S., as well as industry suppliers worldwide. Blended-Mushrooms-Food-Processor 1. The combination of issues contributing to the rising prices includes climate volatility, continued labor issues, changes in consumer preferences and transportation expenses. This culmination causing price increases could not occur at a worse time of the year as the mushroom industry is now preparing for its busy fall holiday season, when mushroom demand increases by 30-40 percent. According to the AMI many of the issues contributing to the increase in production costs have been percolating for some time. "Growers have worked to absorb the additional costs," said AMI President Rachel Roberts. "The landscape has shifted, and growers are currently experiencing a perfect storm of multiple factors that are causing increased production costs." Roberts said that recent climate volatility and extreme rainfall events have presented a challenge for mushroom growers. Last summer and fall there was record-setting rainfall in the east. The materials harvested, which are used as the growing medium for mushrooms, held more water than normal. This accelerated deterioration and caused decreased yields. In turn, more material was required to fill grower needs, increasing overall production costs. The challenge has continued into 2019 due to a wet spring. Additionally, growers are sourcing their raw materials from areas further away, which adds to production costs. Kevin Donovan, national sales manager for Kennett Square, PA-based Phillips Mushroom Farms, concurred about the rising costs of the raw materials used to grow mushrooms. "Like everything, the cost of compost is based on supply and demand," he said. "The price has nearly doubled this year because of the heavy rains regions that produce straw and hay have experienced. Also, growers get more money growing corn and soy crops than they do growing compost materials. Some growers are sourcing compost from as far away as Canada, which also adds to production expenses because of the added transportation costs. Compost shortages can also reduce the quality of the mushrooms produced." The AMI pointed out that mushroom harvesting is highly labor-intensive. On average, mushroom growers are operating with only 75 percent of the workforce needed to harvest full yields, and many growers report leaving hundreds of pounds of mushrooms on the growing beds because they cannot find the labor required to harvest them. "Additionally, growers in some states are facing mandatory minimum wage increases," noted Roberts. "California will soon increase its minimum wage by 9 percent. In a business where labor costs top 50 percent, a 9 percent increase will, for example, cost California mushroom growers an additional 4.5 percent in labor costs." Donovan stressed that labor issues such as high turnover rates — and at times shortages — can also add to labor challenges. "Labor for harvesting and packing is especially difficult to nail down for the long term," he said. "It's common for us to train supervisors for a year, and then suddenly they are moving on. It's tough to get people to work weekends and put in extra time when the demand is there and extra money can be made. The economy is booming, and that means more jobs are available, but there are fewer people in the country to do them. We harvest all week, which means we also need people who will work on weekends. It's an ongoing endeavor to keep our labor force at the level needed." While white button mushrooms lead fresh market sales, organic and brown mushrooms are increasing in consumer popularity. Due to the way they are grown, organic and brown mushrooms produce smaller yields than white button mushrooms, thereby costing more to produce. Compared with white button mushrooms, the yield for brown mushrooms is nearly 15-20 percent less for the same square footage of production, further affecting costs. "Mushroom growers continually look for ways to improve efficiencies where they can," said Roberts. "However, right now they are operating at full capacity and facing headwinds beyond their control."

<http://www.producenews.com/the-produce-news-todays-headlines/27325-mushroom-producers-face-rising-costs>

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,

