



WEEK 10: March 6 - March 13, 2023 MARKET OUTLOOK

Transportation:

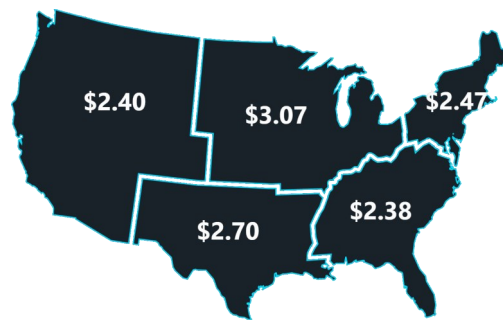
National Diesel Average: \$4.294

Compared to Last Year: \$4.104

National Fuel Surcharge: \$0.56

Shortages: Seeing high freight rates, with extreme shortages - None; slight shortages in NC

National Posted Rate per mile
previous week's average outbound reefer rate for each region
Map from [DAT](#)



Regional Weather Update:

Oxnard, CA: Partly cloudy skies with highs in the 50s & 60s and lows in the 40s to 50s.

Salinas, CA: Partly cloudy and showers throughout the week with highs in the 50s to 60s and lows in the 30s to mid-40s.

Yuma, AZ: Partly cloudy and sunny skies throughout the week with highs in the 70s to 80s and lows in the upper 40s to 50s.

Immokalee, FL: Partly cloudy and sunny skies throughout the week with highs in the upper 90s to mid-70s and lows in the upper 60s to low 50s.

Idaho Falls, ID: Partly cloudy and snow showers through the week with highs in the 20s & 30s and lows in the low single digits to mid-teens.

MARKET ALERT

- Arugula Baby
- Berries: Blackberries, Blueberries & Raspberries
- Broccolini
- Cabbage
- Cauliflower
- Celery
- Chili Peppers
- Corn
- Cucumbers: English & Persian
- Garlic
- Green Onions
- Herbs: Cilantro, Chervil, Tarragon & Thyme
- Limes
- Mushrooms (Extreme)
- Pepper Bell: Green, Red & Yellow
- Tomatillos

MARKET OUTLOOK



Apples



SUPPLY

FAIR

QUALITY

GOOD

With less than 100 million cases, WA crop is the smallest since 2005 with the average usually more than 120 million. Their low volume is a significant issue for growers in Washington State. There is a lack of supplies, a high demand, and obviously regional supplies exist. Michigan and New York both have good crops, so it's about how WA can stay in for as long as possible and take advantage of the various varieties that have been grown. The cost of production labor has skyrocketed. Expecting to remain tight through the season until offshore arrives in April.

MARKET ALERT

Arugula



SUPPLY

LIMITED

QUALITY

FAIR

ALERT (Baby) Supplies are limited for this week. Some growers are doing better than others. Expect quality to be only fair. Some growers are keeping everyone to strict loading averages and are prorating orders. Expect for this market to be unstable for a few weeks. (F.O.B Pricing for this week - Contract pricing)

Asparagus



SUPPLY

FAIR

QUALITY

GOOD

Asparagus market is beginning to stabilize. Supplies are improving on all size except jumbo. Arrival of Peru volume has given some relief. Mexico volume is starting to increase. Market has dropped tremendously on small, standard, and large while XL and jumbo are just starting to trend down.

Avocados



SUPPLY

GOOD

QUALITY

GOOD

Avocado demand on 48s and larger remains strong. When the dry matter content is high, the holding temperature should be set to 38 degrees. California harvest is gradually ramping up is expected to fall short of the projected 5 million pound. The fruit has been sizing up nicely due to the recent rain. Peak production months are late April to August. The CA crop in 2023 is expected to be 7% lower than in the previous year. Peru is gearing up for their upcoming season and with product expected to arrive in early April and volume up 12.5% this year. The next change will most likely be a minor price difference between XL and large fruit. The size curve and market demand are collaborating to achieve balance, and it is still a good time to promote because all sizes can be sourced.

Bananas



SUPPLY

GOOD

QUALITY

GOOD

Bananas continues to remain tight due to chilly and damp weather conditions in the tropics, but things are improving day by day. Over the next week, bananas ought to be more in line with the desired ripening stages.

Beans



SUPPLY

GOOD

QUALITY

GOOD

Green Beans: Volume has improved in Florida. Market is steady and active. Beans from Mexico continue to struggle on quality and light volume.

Snow Peas: Supplies are back to normal, and quality is good.

MARKET OUTLOOK

MARKET ALERT

Berries



SUPPLY
FAIR
QUALITY
FAIR

Blackberries: Prices for Blackberries are trending up. Supplies are expected to be tight & prices are expected to remain elevated through the middle to end of March. Growers expect the market to tighten back up in April and May.

Blueberries: Prices for Blueberries are trending. The market is expected to remain tight for the next month or two. Chile season ended early due to rains, heat waves and fires. Mexico is moving production to their spring crop. Volumes will slowly ramp up. California is working through rains. Quality is good.

Raspberries: Prices for Raspberries are trending up this week. Supplies are expected to be tight & prices are expected to remain elevated through the middle to end of March. Growers expect the market to tighten back up in April and May.

MARKET ALERT

Broccoli



SUPPLY
GOOD
QUALITY
GOOD

Broccoli: Supplies continue to be steady, and demand are good. Market pricing remains steady. Current supplies are coming from Yuma, Santa Maria, and Mexico. Supplies are expected to remain steady the next few weeks. (F.O.B pricing for this week \$15.00 - \$16.00)

Broccolini: **ALERT** Supplies continue to be very short. Unusual cold weather has affected supplies. Very strong demand with limited supplies. Quality is Fair. Growers are pro-rating orders to try and supply everyone with something. Market is expected to remain unstable for a few weeks. (F.O.B. pricing for this week \$34.75 - \$40.55)

Brussels Sprouts



SUPPLY
GOOD
QUALITY
GOOD

Supplies continue to be very good this week. Quality has been reported as good. Demand continues to remain steady. Good volume is coming from Mexico and Oxnard. Steady demand for Brussel Sprouts is expected the next few weeks. (F.O.B pricing for this week \$16.45 - \$18.75)

MARKET ALERT

Cabbages



SUPPLY
LIMITED
QUALITY
FAIR

Supplies will be limited. Growers are reporting lower yields due to recent cold temperatures. Experiencing some delays with harvest due to early morning frost. Product is coming from Yuma and Imperial Valley. (F.O.B pricing for this week \$28.45 - \$32.45)

Cantaloupes



SUPPLY
FAIR
QUALITY
GOOD

Offshore cantaloupe continues to be light but with more 9ct arriving to cover contract and retail commitments, the open market pricing remains elevated. Peak size seems to be 12ct leaving a sizable gap in pricing compared to larger fruit. Quality is shifting towards Springtime characteristics with better external color appearance due to the longer daylight. Brix is mostly 12-14%.

MARKET OUTLOOK



Carrots



SUPPLY

GOOD

QUALITY

GOOD

Weather and supply have improved, but some shippers are still struggling with a few line items out of California.

MARKET ALERT

Cauliflower



SUPPLY

LIMITED

QUALITY

GOOD

Supplies will continue to be limited for another week. Market pricing continues to remain escalated. Current supplies are coming from Yuma, Santa Maria, and Mexico. Cold weather slowed down the growth causing short supplies. Better availability on small size Cauliflower. (F.O.B pricing for this week \$42.00 - \$44.00)

MARKET ALERT

Celery



SUPPLY

LIMITED

QUALITY

GOOD

Supplies are light and quality is good. Supplies are currently coming from Oxnard and Yuma. Supplies from Oxnard are very limited. Demand is very strong. Market is expecting to escalate for next week. (F.O.B pricing for this week \$22.45 - \$23.75)

Citrus



SUPPLY

GOOD

QUALITY

GOOD







Limes: **ALERT** Prices in Mexico continue to stay elevated. US pricing has slowed down due to the low demand. Most operations have completed the transition to the new production cycle. Overall quality and shelf life have improved with higher pack-out yields on U.S. #1-grade fruit. Blanching will become more visible when the fruit's general coloration darkens; please note the distinction between blanching and yellowing, as blanching is a quality defect and yellowing is a conditioned defect. Supplies is expected to be tight through March and the first few weeks of April. Large fruit will be scarce, with a shortage of 110's and 150's. Consider changing your specification to match crop patterns and ensure supply. These trends correspond to the seasonal cycle.

Lemons: California lemons are still being harvest in D1 and the fruit are still looking fine. Growers are packing mostly Fancy 115s and larger. D1 season will go until the first of June before it transition to D2 and import lemons.

Oranges: Navels have hit their stride. Quality is great with nice brix and color. Until the end of the navels, size will remain an issue; it is now peaking on 113s, limited 56s, and larger. Most shippers will be done with the Navels at the end of May.

MARKET OUTLOOK



MARKET ALERT	<u>SUPPLY</u>	Prices for Corn are trending down this week. Florida and Mexico are both working through challenges associated with recent cold weather. Volumes are picking up out of Florida and prices are coming down a bit. Growers are looking for prices to improve in the weeks to come.
<u>Corn</u>	POOR	
	<u>QUALITY</u>	
	FAIR	
<hr/>		
<u>Cucumbers</u>	<u>SUPPLY</u>	Prices for Slicing, English and Persian Cucumbers are trending down this week. Florida will be transitioning from their Winter to Spring crop in early March. Look for supplies on Slicing Cucumbers to be unstable during that timeframe. Growers are reporting that production for Persian and English out of Canada is on the upswing. Growers expect supplies to pick up in the weeks to come.
	GOOD	
	<u>QUALITY</u>	
	GOOD	
<hr/>		
MARKET ALERT	<u>SUPPLY</u>	Domestic garlic continues to remain tight. Harvest started late this season and growers are holding averages to try and minimized company buying heavy early in the season. Quality is good and the price is high.
<u>Garlic</u>	FAIR	
	<u>QUALITY</u>	
	GOOD	
<hr/>		
<u>Ginger</u>	<u>SUPPLY</u>	The market for imported ginger is active, and supplies are light.
	FAIR	
	<u>QUALITY</u>	
	GOOD	
<hr/>		
<u>Grapes</u>	<u>SUPPLY</u>	Arrivals continuing to increase and will likely be plentiful by mid-March. There are still a lot of Peruvian Grapes available. With the continuous growth in volume, Chilean grapes are starting to take the lead as the market's primary country of origin.
	GOOD	
	<u>QUALITY</u>	
	GOOD	
<hr/>		
MARKET ALERT	<u>SUPPLY</u>	The weather continues to have an impact on all Colombian herbs. The weather has continued to hinder both imported and domestic chervil, tarragon, and thyme production.
<u>Herbs</u>	LIMITED	
	<u>QUALITY</u>	Cilantro: ALERT Supplies are limited. Quality is fair. Market is more active. The cold weather has hindered supply. Product shipping out of Oxnard and Imperial Valley. Expect supplies to be limited going into next week. (F.O.B pricing for this week \$22.65 - \$25.45)
	FAIR	

MARKET OUTLOOK

Honeydews



SUPPLY
LIMITED
QUALITY
GOOD

Offshore honeydews arrivals are beginning to increase. Sizing are mostly 5/6s with a few jumbo and 8s. External appearance has been clean with solid internal quality. Bix levels are 12-13% with good flavor profile.

Iceberg



SUPPLY
GOOD
QUALITY
FAIR

Supplies are steady. Quality is fair. Abnormal weather is delaying harvest. Growers will be doing everything they can to pack the cleanest product possible. Expect lighter weights for the coming week. Growers are now harvesting in Yuma and Imperial Valley. (F.O.B pricing for this week \$15.00 - \$16.00)

Kale



SUPPLY
GOOD
QUALITY
GOOD

Supplies are down compared to last week. Demand continues to be steady. Quality is good. Supplies should be steady for a few weeks. Market pricing is higher this week compared to previous week. (F.O.B pricing for this week \$16.45 - \$17.65)

Leaf



SUPPLY
GOOD
QUALITY
GOOD

Green & Red Leaf: Supplies continue to be very good. Quality is fair. Expect to see Fringe burn, and some frost damage. The desert region has endured some unusual cold temperatures. Markets and supplies are stable. Harvest is coming from Imperial Valley and Yuma. (Green Leaf F.O.B. pricing for this week \$9.00 - \$11.00)(Red Leaf F.O.B. pricing for this week \$10.00 - \$11.00)

Romaine: Supplies are stable. Quality is fair. Weights are expected to be on the lighter side. Expect to see some epidermal peel and some blistering. Early morning frost is delaying harvest. Growers will be doing everything they can to pack the cleanest product possible. Growers are now harvesting in Yuma and Imperial Valley. (Romaine F.O.B pricing for this week \$11.00- \$12.00) (Hearts F.O.B pricing for this week \$14.00 - \$16.00)

Tender Leaf: Supplies are steady. Demand continues to be good. Fair quality has been reported by growers. Market pricing is normal. Growers are now harvesting in Yuma. (F.O.B pricing for this week \$4.75 - \$5.15)

MARKET OUTLOOK

MARKET ALERT

Mushrooms



SUPPLY
SHORT
QUALITY
FAIR

Shitake Mushrooms: EXTREME ALERT Due to uncontrollable rise in cost of imported Shitake logs from China. Shitake mushrooms supplies will be short, prices will be changing almost weekly. Long delays to unload shipments at the ports have caused some interruptions with supplies. This is caused by labor shortage and limited freight availability.

EXTREME ALERT The mushroom industry continues with a shortage of labor, as well as cost inflation increases in raw materials. Specifically corrugated cardboard and packaging materials. Additionally, the price increases in freights nationally have greatly impacted cost to mushroom growers. Pricing on mushrooms must increase at this time due to Labor, Transportation, and packaging.

Onions



SUPPLY
GOOD
QUALITY
GOOD

Onions are shipping out of Idaho, Oregon, Utah, and Washington. Quality is good. Demand is down. Market is stable. Domestic volumes are plentiful in the Northwest. Super Colossal and Colossal Yellow onions continue to fetch a premium pricing due to the limited availability. All colors available. Trucks are plentiful. There are plenty of imported onions crossing. This will also have an impact on precut.

MARKET ALERT

Onions Green



SUPPLY
LIMITED
QUALITY
GOOD

Supplies are limited. Market pricing will be escalated this week. Green onions are coming from Mexico. Abnormal cold temperatures have slowed down the supplies. Market pricing is expected to escalate due to limited supplies and high demand. (F.O.B pricing for this week \$27.65 - \$29.45)

MARKET ALERT

Peppers Bell



SUPPLY
FAIR
QUALITY
GOOD

ALERT (Green, Red & Yellow) Prices for Green, Red and Yellow Bell Peppers are trending up this week. The market is currently unstable as growers in Florida and Mexico transition from winter to spring crops.

MARKET ALERT

Peppers Chili



SUPPLY
FAIR
QUALITY
FAIR

ALERT (Chili Peppers & Tomatillos) Prices for Chili Peppers are mostly stable this week. Prices for Serrano and Jalapeno Peppers are elevated. The market is currently unstable as growers in Florida and Mexico transition from winter to spring crops.

MARKET OUTLOOK

Pineapples



SUPPLY

GOOD

QUALITY

GOOD

Larger sized Pineapples volume is solid. Quality is good. In the tropics, the size curve is shifting toward smaller size pines.

Potatoes



SUPPLY

FAIR

QUALITY

GOOD

Supply is steady and demand is light. Market is steady due to the overall short crop this season. There is availability to meet demand. Precut potatoes will be impacted as well.

Squash



SUPPLY

GOOD

QUALITY

FAIR

Prices for Yellow Squash are trending up this week. Process for Zucchini Squash is trending down. The market for Yellow Squash is currently tight. Production is expected to pick up in the weeks to come as growers move from the Winter to Spring crops.

Strawberries



SUPPLY

GOOD

QUALITY

FAIR

Prices for Strawberries are trending down this week. Production out of Florida & Mexico is past peak. California is experiencing a lot of rain. Growers are expecting prices to increase until the weather in California clears up to more favorable growing conditions.

Tomatoes



SUPPLY

GOOD

QUALITY

GOOD

Prices for 20 lb Round, Grape, Cherry, and Roma tomatoes are trending down. Prices for 25 lb Round Tomatoes are stable. Florida and Mexico have experienced cold weather recently. Growers are expecting the market to tighten up during the next week or so.

Watermelons



SUPPLY

FAIR

QUALITY

GOOD

Watermelons are a little tight. Seedless are shipping from Mexico while mini are out of Edinburg and Nogales. Quality has been good. Florida is expecting to start harvesting in March. California started with lower volumes due to the seasonal transition gap.



MARKET OUTLOOK

Produce Category Overview

The produce industry continues to experience unprecedented quality and yield issues due to weather that caused crop failures, poor product quality, and impacted availability. The annual transition from Arizona's growing season to California is expected to happen soon, which will have an impact on all lettuces, greens, broccoli, cauliflowers, and cabbages. Due to the recent floods in the Salinas Valley, the transition dates from Arizona to California, are only tentative and are subject to change. **Tender leaf** growers are looking to transition the first week of April, **commodity carton** growers are looking into transition mid-April, and **processors** growers/shippers are looking to transition late April and early May. It could be delayed a week or two. **Limes** are transitioning now through April, elevated prices and lower quality are expected. Grapes and melons are expecting to transition in May from imports to domestic. **Cucumbers** in Florida is expecting to transition from their Winter crop to Spring in early March. Availability on slicing cucumbers will be unstable during that time. **Baby arugula** are being prorated by some growers.

Foodservice sales to hit \$997 billion in 2023, National Restaurant Association forecasts

Industry report says higher menu prices and pent-up demand to drive 6.4% growth from \$937 billion last year

Ron Ruggless | Feb 28, 2023

Foodservice industry sales will reach \$997 billion in 2023, driven in part by higher menu prices and continued pent-up demand, the National Restaurant Association forecasts.

In its annual "2023 State of the Restaurant Industry" report released today, the association expected sales to increase \$60 billion over the \$937 billion last year, which had exceeded the association forecast of \$898 billion.

The 6.4% increase in forecast sales over 2022 includes "high rates of menu price inflation," said Hudson Riehle, the association's senior vice president of research, in an interview.

Sales in uninflated dollars have yet to return to 2019 levels, before the pandemic was declared in March 2020. "If you go back and track it from 2019 through this year, the real sales are down by 8.6%," Riehle said. "So it basically is the new normal."

The industry's "new normal" demands innovations, he said.

"Restaurant operators obviously have to look for creative solutions in this environment," Riehle said, "because the traditional restaurant model, from a cost standpoint, was not designed to endure the depth and breadth of this sustained period of much, much higher food and labor cost."

Among other findings in the annual study:

- The foodservice industry workforce is projected to grow by 500,000 jobs, for total industry employment of 15.5 million by the end of 2023. The association said employment in the industry was 15 million in pre-pandemic 2019. "In the second-half of 2023, the industry recovers to a level that is higher than it was before the pandemic," Riehle said.
- About 70% of operators said business conditions have settled into — or are on the path to — a new version of normal.
- About 84% of consumers said going out to a restaurant with family and friends is a better use of their leisure time than cooking and cleaning.
- Inflation continued to dog the industry, with 92% of restaurant operators saying the cost of food is a significant issue.
- In 2023, 47% of restaurant operators expect ...

[Read full article HERE](#)

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. Have a great week!

Your Dedicated NPC FB, LLC Staff