



WEEK 29: July 17 - July 16, 2023

MARKET OUTLOOK

Transportation:

National Diesel Average: \$3.806

Compared to Last Year: \$2.044

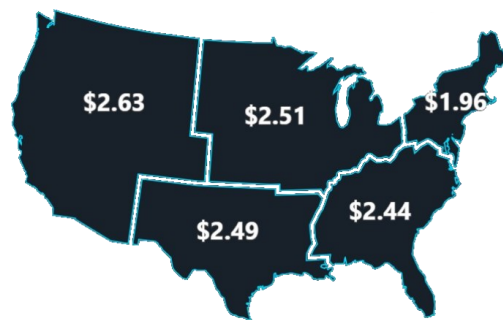
National Fuel Surcharge: \$0.47

Shortages: Seeing high freight rates, with **extreme** shortages - None; **slight** shortages - FL & SC

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 and sunny skies throughout the week with highs in the low 70s and lows in the mid-50s.

Salinas, CA: Partly cloudy and sunny skies with highs in the upper low 70s and lows in the mid-50s with mostly sunny on Friday.

Yuma, AZ: Sunny and cloudy skies with highs in the 110s and lows in the high 80s.

Immokalee, FL: Thunderstorms with highs in the low 90s and lows in the 70s.

Idaho Falls, ID: Partly cloudy, windy, and sunny skies throughout the week with highs in the 90s and lows in the 50s.

MARKET ALERT

Apple (Radar)

Asparagus

Berries: Blackberries & Raspberries

Broccoli

Brussels Sprouts

Celery (Extreme)

Herbs: Basil & Cilantro

Pepper Chili:

Anaheim, Jalapeno, Poblano & Serrano

Pineapples (Radar)

Potatoes

Snow Peas (Radar)

MARKET OUTLOOK



Apples



SUPPLY
GOOD
QUALITY
GOOD

RADAR Due to cold temperatures in the spring producing later bloom, the new Washington State Apple crop will be 7 to 14 days later than last season. The new crop estimate has not been released to the industry, although it is rumored to be in the 122 million range. While the New crop is on the horizon, the Golden Delicious and Granny Smith are causing a concern. Both are standing with less boxes than anticipated, resulting in an excess of demand over supply. Granny Smith is 2.6 million fewer boxes than this time last year, showing significantly higher market values than usual. Due of the limited supply, it is strongly advised to avoid Granny Smith as much as possible until the new crop is released.

MARKET ALERT

Asparagus



SUPPLY
LIMITED
QUALITY
FAIR

Central Mexico asparagus is starting to improve and expected to continue until mid-August. Baja is done. Southern Baja is expected to start at the end of September and go through January 2024. There could be a potential gap for Mexico mid-August to late-September due to the low supply and high demands. Peruvian asparagus continues to be a challenge due to El Nino. Volume is down by 50k compared to the same time last year. Northern Peru continues to struggle with consistent supplies but expected to improve by October/ November. By mid-August, new fields are expected to open in the south and will have steady supplies until early-mid October. Sizing are primarily standard to medium with very few large and limited on XL and jumbo. Supplies are expected to fluctuate from all growing regions for the next 2-3 months. Recommend being flexible with sizing at time of loading.

Avocados



SUPPLY
GOOD
QUALITY
GOOD

The overall volume has increased with every COO. The market is responding appropriately by offering better value for small sizes. This was expected given that the early Flor Loca were heavy on small fruit. Dry matter will eventually be no longer an issue, and bigger sizes will be sufficient. Markets should thus accommodate all sizes equally. The historical weather in Mexico reveals a heavy rain season between July and September. If this trend persists, rain may disrupt harvesting schedules and cause lenticel appearance on the fruit skin.

Bananas



SUPPLY
GOOD
QUALITY
GOOD

Bananas are currently solid and consistent.

Beans



SUPPLY
FAIR
QUALITY
GOOD

Green Beans: Supply is good, and market is stable. Supply is expected to be good through September. Mexico supply is expecting to improve by late July.

Snow Peas: **RADAR** On both coasts, the market is quite elevated. California has limited supply. Markets are expected to be high for the next few weeks.

MARKET OUTLOOK

MARKET ALERT

Berries



SUPPLY

POOR

QUALITY

FAIR

Blackberries: ALERT Prices for Blackberries are trending up. Production out of Mexico has been impacted by rains and cooler weather. Volumes out of Watsonville is slowly picking up but not enough to cover the shortfall out of Mexico. Growers in California are forecasting higher volumes during the next couple weeks.

Blueberries: Prices for Blueberries are trending down with good quality. Production is coming out of New Jersey, California, and the Pacific Northwest. Volume is picking up. Supplies are expected to stay abundant throughout the month of July.

Raspberries: ALERT Prices for Raspberries are trending up. Production out of Mexico has been impacted by rains and cooler weather. Volumes out of Watsonville is slowly picking up but not enough to cover the shortfall out of Mexico. Growers in California are forecasting higher volumes during the next couple weeks.

MARKET ALERT

Broccoli



SUPPLY

GOOD

QUALITY

GOOD

Broccoli: ALERT Supplies are slightly better with good demand. Supplies are available from Salinas, Santa Maria, and Mexico. Supplies are expected to continue improving in the next few weeks. Market pricing is better. (F.O.B pricing for this week \$20.50 - \$21.50)

Broccolini: Supplies continue to be very good. Demand has slowed down. Supplies are expected to continue improving. Supplies should be steady for the next few weeks. Great time to promote Broccolini. (F.O.B pricing for this week \$21.95 - \$22.75)

MARKET ALERT

Brussels Sprouts



SUPPLY

FAIR

QUALITY

FAIR

Supplies are slightly better with fair quality. Demand continues to remain steady. Market pricing and contracts will remain escalated. Supplies are expected to improve the next few weeks. (F.O.B pricing for this week \$42.00 - \$44.00)

Cabbages



SUPPLY

GOOD

QUALITY

GOOD

Supplies are steady with good quality. Growers are reporting better availability. Market pricing has improved. Products are coming from Salinas and Oxnard. (F.O.B pricing for this week \$15.00 - \$16.00)

Cantaloupes



SUPPLY

GOOD

QUALITY

GOOD

Arizona is done and has fully transition to central California. Melons will be shipped from the Westside region over the next three months. Cantaloupe sizing is a mix of 9/12s with a few 15s. Sizing is expected to remain consistent until the middle of next week, when new fields will be broken, resulting in larger fruit. Brix levels are consistently in the 13-15% range.

MARKET OUTLOOK



Carrots



SUPPLY

GOOD

QUALITY

GOOD

Overall, the quality and supply are good. All contracts are being fulfilled.

Cauliflower



SUPPLY

GOOD

QUALITY

GOOD

Supplies are good with demand declining. Markets are not escalated. Supplies are available from Salinas, Santa Maria, and Mexico. Supplies are expected to be steady for the next few weeks. (F.O.B pricing for this week \$11.00 - \$14.00)

MARKET ALERT

Celery



SUPPLY

LIMITED

QUALITY

FAIR

EXTREME Supplies continue to be very limited. Quality is reported as fair. Supplies are currently coming from Salinas and Santa Maria. Market pricing will be escalated. Supplies are expected to slowly improve in the next few weeks. (F.O.B pricing for this week \$58.00 - \$60.00)

Citrus



SUPPLY

GOOD

QUALITY

GOOD

Limes: Due in part to the 4th of July holiday's aftermath, the market has lost momentum and demand has leveled off. Extreme heat and humidity reduce quality and shelf life, resulting to low yields and availability. Pricing changes reflect overall crossing declines to keep inventory moving and prevent protracted aging. The crop is transitioning to the new production cycle in most operations. Peak sizing on 230s & 250s while large fruit remain limited.

Lemons: Due to this year's heavy rains in California, many lemons were lost. As a result, 140s and smaller are very tight, which has driven up prices to levels that are unusual for this time of year. The 165s and 200s have become quite tight in the last month and are very challenging to cover. Picking has begun in D2 coastal area. There is more choice fruit than normal due to the heavy scarring. Due to the damage, lemons have been difficult to manage.

Oranges: This season's Valencia, which run heavy to 138/113/88s, are ideal for food service. Fruit is tasty, firm, and color great. Brix is at 13-14. In most years, when schools reopen in August because the fruit has grown out of the smaller sizes, the industry faces a demand-supply imbalance. With the amount of small fruit this year, not expecting any big issue. Valencia is not in high demand in July, which will help the overall supply. Valencia is expected to go through October until Navels starts without any gaps.



MARKET OUTLOOK

Corn



SUPPLY

GOOD

QUALITY

GOOD

Prices for Corn are trending down. Supplies are picking up out of the East and West. Growers are forecasting improved market conditions over the next couple weeks.

Cucumbers



SUPPLY

GOOD

QUALITY

FAIR

Prices for Slicing Cucumbers are trending up. Supplies remain a bit tight due to all the rain in the East. Growers are even reporting that smoke from the forest fires in Canada has impacted production. Growers are forecasting improved growing conditions in the weeks to come.

Garlic



SUPPLY

GOOD

QUALITY

GOOD

Domestic garlic has improved with steady supplies. Quality is good and the price remains elevated.

Ginger



SUPPLY

FAIR

QUALITY

GOOD

The market for imported ginger is active, and supplies are light.

Grapes



SUPPLY

LIMITED

QUALITY

GOOD

Fruit crossing Nogales has improved, and the California season has already begun with good quality reds. The pipeline is being refilled. Greens are a little behind and the market is reacting to those but should have a healthy domestic season going forward.

MARKET OUTLOOK

MARKET ALERT

Herbs



SUPPLY
LIMITED
QUALITY
FAIR

Mexican production has improved. The availability and quality of most herbs, particularly basil, are still impacted by rain in Colombia. Domestic and Mexican options are available on the east coast.

Cilantro: ALERT Supplies continues to be light with fair quality. Market pricing continues to remain high. Supplies are shipping out of Salinas and Santa Maria. Less yields are being reported. Market pricing has escalated due to high demand and limited availability. (F.O.B pricing for this week \$22.00 - \$24.00)

Honeydews



SUPPLY
FAIR
QUALITY
GOOD

Production in California started sooner than anticipated with the first field supplying the majority of 5s. Growers are expecting by early next week, the size profile should be better. Honeydews are far cleaner than what was previously in Arizona, with brix ranging from 12 to 14%.

Iceberg



SUPPLY
GOOD
QUALITY
GOOD

Supplies are improving. Weight and quality have improved. Supplies are forecasted to be better. Market pricing is expected to improve. Contract pricing will not be escalated. (F.O.B pricing for this week \$18.00 - \$19.00)

Kale



SUPPLY
GOOD
QUALITY
GOOD

Supplies are steady with good quality and demand. Supplies should remain steady for a few weeks. Market pricing is steady. (F.O.B pricing for this week \$12.65 - \$14.45)

Leaf



SUPPLY
GOOD
QUALITY
GOOD

Green & Red Leaf: Supplies are good with good quality. Sizing and carton weights are better. Expect markets and supplies to remain steady for the next few weeks. (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 continue to be good. Quality is good. Carton weights are better. Expect market pricing to steady along with supplies. (Romaine F.O.B pricing for this week \$10.00 - \$11.00)(Hearts F.O.B pricing for this week \$15.00 - \$16.00)

Tender Leaf: Supplies are good with good quality and demand. Supplies and availability are improving due to better weather. Steady Market pricing and supplies are to be expected in the next few weeks. (F.O.B pricing for this week \$4.75 - \$5.00)

MARKET OUTLOOK



Mushrooms



SUPPLY
FAIR
QUALITY
GOOD

Mushrooms supplies have improved in the last few months. Growers are reporting better availability across the mushroom category. Price increases seem to have stabilized. Markets are expected to remain steady.

Onions



SUPPLY
GOOD
QUALITY
GOOD

Quality is good with steady demand. The market is steady. Medium red onions are tight. Due to the onions not holding up traveling across the country in extreme heat on flatbed, some growers are started to transport them in refer trucks. Colorado is scheduled to begin harvesting around Labor Day and continue until the end of the year, while Utah will begin harvesting in early fall. Transition to the Northwest is expected to begin the first two weeks of August. This will also have an impact on precut.

Onions Green



SUPPLY
GOOD
QUALITY
GOOD

Supplies continue to be very good with normal market pricing. Green onions are coming from Mexico. Warmer weather will bring better supplies and availability. Growers are expecting steady market pricing and steady supplies for the next few weeks. (F.O.B pricing for this week \$9.00 - \$10.00)

Peppers Bell



SUPPLY
GOOD
QUALITY
GOOD

Prices for Green, Red, and Yellow Bell Peppers are trending down. More production areas are coming online in the East and West. That includes many local programs. Growers are expecting steady supplies over the next couple weeks.

MARKET ALERT

Peppers Chili



SUPPLY
FAIR
QUALITY
FAIR

ALERT (Anaheim, Jalapeno, Poblano & Serrano) Prices for Chili Peppers are mixed with an upward bias. Production out of the East continues to suffer from the recent rounds of bad weather. Volumes are light out of California and Baja due to weather related challenges. Growers are looking for supplies to remain tight for another couple weeks.

Pineapples



SUPPLY
FAIR
QUALITY
GOOD

RADAR Droughts are reducing pineapple yields in certain Costa Rican regions this summer. Recommend being flexible with sizing and giving plenty of lead time when ordering. Keep your inventory well stocked.

MARKET OUTLOOK

MARKET ALERT

Potatoes



SUPPLY

FAIR

QUALITY

GOOD

Demand is a little soft with good quality. Larger sizes will get a little tighter in the first part of August with some upward trends in the market. Kern County is winding down by the end of the month. Some growers have slowed down new crops are expected to start at the end of August. USDA is reporting an increase in acreage for 2023 crops by 5.3% increase vs 2022. California, Idaho, Florida, Nebraska, and Michigan are reporting a percentage increase while Minnesota, Oregon, and Texas have decreased. The new crop russet will be limited from Columbia Basin, Kansas, Texas, and Virginia in late July. Idaho new crop is expected to start around the first of August. Michigan and Wisconsin new crop are anticipating starting mid-August. San Luis Valley new crop usually starts early September. This will also affect precut.

Squash



SUPPLY

GOOD

QUALITY

FAIR

Prices for Yellow Squash are trending up while Zucchini Squash are flat. Supplies out of the East were recently impacted by rain. Production out of the West is coming out of Santa Maria, Fresno, Washington State, and Baja. The market remains tight.

Strawberries



SUPPLY

GOOD

QUALITY

GOOD

Prices for Strawberries are trending down. Growers are currently reporting good supplies and quality. The market is expected to tighten up going forward due to cooler weather in California.

Tomatoes



SUPPLY

GOOD

QUALITY

FAIR

Prices for 20 lb and 25 lb Round Tomatoes are trending down but are still elevated. Prices for Roma are trending up and are expected to go higher next week. Production has started out of Tennessee, North Carolina, and California. All the recent rains in the East are still impacting volumes. Growers are forecasting unstable markets for the next couple weeks.

Watermelons



SUPPLY

GOOD

QUALITY

GOOD

Supplies are good. Arizona, Georgia and Mississippi are winding down and will finish in a week or two. Indiana and North Carolina will start in the next week. Central California have started production. Supplies are available in Southern California and Texas.



MARKET OUTLOOK

Produce Category Overview

Asparagus are expecting to get better in the coming weeks but will have experience a potential gap mid-August to late September from Mexico. **Brussels sprouts** are slightly better but remain escalated. **Celery** remains on extreme alert as supplies continues to be limited with supplies expecting to get better in a few weeks. **Chili Peppers** are expected to remain tight for a few weeks due to the weather. Good time to promote **Broccolini, Carrots, Cauliflowers, and Kale**.

Annual "State of Logistics Report" shows a transportation market resetting itself

Supply Chain Quarterly Staff | June 20, 2023

Three years after the Covid pandemic hit and completely disrupted transportation networks, conditions are finally resetting and rebalancing themselves, according to the "34th Annual Council of Supply Chain Management Professionals (CSCMP) State of Logistics Report," released today.

The past few years saw high demand and tight capacity, putting carriers in the proverbial driver's seat. But as demand leveled off and inventory rose, the market has swung back in favor of shippers. After being burned by sky-high rates and some carriers failing to live up to prior agreements, many shippers are rethinking the annual bidding process and are looking at other options to lock down transportation capacity, according to the report. These include shorter deals, greater use of the spot market, and mini-bids.

"We believe that the second half of 2022, and what we are seeing in 2023 so far, has been all about getting back in sync with the fundamental change in the equation between shippers and carriers," said report lead author Balika Sonthalia, partner at the consulting company Kearney. "And in addition to that, we are also seeing that supply chain executives are being more thoughtful and seizing the moment to address structural costs and strengthen the foundation."

Every year, the State of Logistics Report seeks to detail all costs associated with moving freight through the U.S. supply chain. This year's report—which was prepared by Kearney for the industry association CSCMP—studies the calendar year 2022 and the first few months of 2023. It also provides an analysis of the state of the economy and looks ahead at key logistics trends to watch. The report is sponsored by Penske Logistics.

In spite of a softening in the overall logistics and transportation market over the past year, U.S. business logistics costs continued to rise, due in a large part to the effects of inflation and a hot labor market. In 2022, U.S. business logistics costs (USBLC) reached \$2.3 trillion, a 19.6% rise over 2021. As a result, logistics costs represented 9.1% of U.S. gross domestic product in 2022. (See Exhibit 1.) Sonthalia, however, expects to see these numbers drop in succeeding years.

"I believe with all the corrections that are taking place between all the transportation categories, we expect to see a significant return to the levels we are used to seeing of USBLC as a percentage of GDP," said Sonthalia. "However, with the lingering shadow of inflation, we see prices remain elevated in certain categories and on certain routes. A lot will depend on the monetary policy, even with the..."

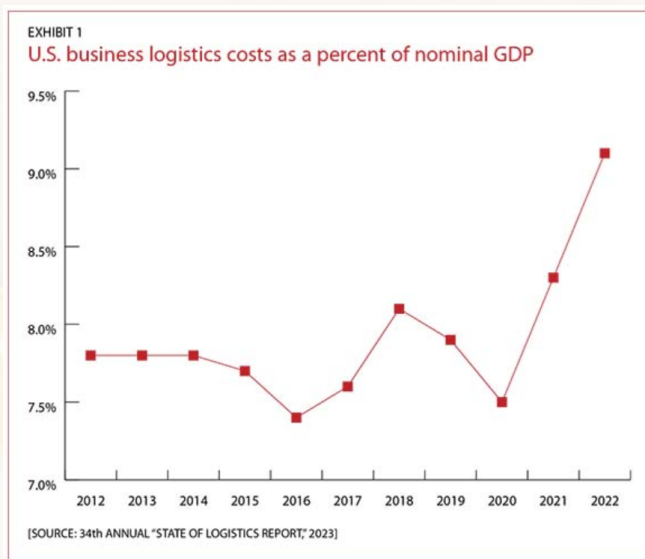
[Read full article HERE](#)

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!

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[EXHIBIT 1] U.S. business logistics costs as a percent of nominal GDP