



WEEK 3 : January 17 - January 23, 2022

MARKET OUTLOOK

ALERT Growers facing Labor Shortage:

We are hearing a lot of report from growers struggling with labor this week due to majority of their staff being out with Covid related issues. This seems to be the trend across the industry. Some growers are not able to harvest enough product to keep up with the demand so therefore, they are picking and choosing what product to pack with what they are able to harvest. This is also affecting processing facilities even more. Prorates are likely dependent on category and situation.

WINTER STORM ALERT: A major winter storm is expected over the weekend which will affect a lot of deliveries. Please reach out to your NPC rep/local distributor if you have any concerns.

Regional Weather Update:

Oxnard, CA: Mostly cloudy with highs in the upper 60s and lows in the low 50s to high 40s with some sun on Thursday and Friday.

Salinas, CA: Cloudy with highs in the upper 60s and 70s and lows in the upper 40s with sun on Wednesday, Thursday and Friday.

Yuma, AZ: Cloudy with some sun towards the end of the week with highs in the mid 70s and lows in the low 50s to upper 40s.

Immokalee, FL: Mostly sunny most of the week with highs in the low 80s and mid 70s and lows in the mid 50s to upper 40s and partly cloudy towards the end of the week.

Idaho Falls, ID: Partly cloudy with highs in the high 20s and lows in the mid teens.

Transportation:

National Diesel Average : \$3.657 Compared to Last Year: \$2.67

Shortages : Seeing high freight rates, with **extreme** shortages remain in AZ, CO, FL, ID, MN, ND & WA; **slight** shortage in: CA, ID, MI, MN, NC, ND, NY, OR, TX & WI

MARKET ALERT

Asparagus

Beans: Green beans & Snow Peas

Berries: Blues & Strawberries

Broccoli

Brussels Sprout

Carrots

Cauliflower

Corn

Herbs: Cilantro, Rosemary

Grapes

Lettuce, Romaine

Limes

Mushrooms

Onions

Pepper Poblano

Potatoes

Squash

MARKET OUTLOOK



Apples



SUPPLY
FAIR
QUALITY
GOOD

The market remains firm this week as demand remains strong. Overall crop is down this year. Washington apple crop is significantly smaller than previous years. The heat Washington has experienced past summer has resulted in some challenges that the industry is still dealing with. The average fruit size appears to be down a half size to a full size and bi-color varieties had troubles reaching their optimum appeal. We can expect strong market for large, premium, high color No. 1 fruit. Premium Honeycrisp as well as Gala are tight this week. Pricing overall is running higher due to the shorter crop, inflation in the growing chain including labor, picking, and transporting of apples. Quality has been good.

MARKET ALERT

Asparagus



SUPPLY
FAIR
QUALITY
FAIR

The Caborca region in Mexican has started to harvest but production remain light. Depending on the weather, volume should increase next weekend. Peru volume continue to shrink due to seasonality. East coast markets have continued to be lower even though little production coming from Mexico. Market on the West coast is seeing sign of dehydration/age on the Peruvian product that is coming in. Prices are still elevated and likely to remain thru middle of next week.

Avocados



SUPPLY
GOOD
QUALITY
GOOD

Harvesting was delayed towards the end of last week due to rain. Prices in the field remain strong, setting the stage for higher prices for the Super Bowl. Mexico is facing some labor shortages due to covid. The combination of the labor and trucking shortages and growers being able to hold fruit on the trees due to a small size curve, only means this strong market will continue.

Bananas



SUPPLY
GOOD
QUALITY
GOOD

Banana quality and availability continue to be good but expect the volume to be down in February due to the winter cycle the tropic will experience.

MARKET ALERT

Berries



SUPPLY
FAIR
QUALITY
GOOD

Blackberries: Prices for Blackberries are trending up this week. We are getting reports that many growers are reporting a lot of Covid related staffing shortages. This is impacting all areas of the supply chain. Supplies are expected to be tight for at least the rest of the month.

Blueberries ALERT: Prices for Blueberries are trending up this week. Supplies are extremely tight. We are getting reports that many growers are reporting a lot of Covid related staffing shortages. This is impacting all areas of the supply chain. Supplies are nonexistent due challenges with unloading product at the ports. Currently there's no relief in sight. Supply and Quality are Fair.

Raspberries: Prices for Raspberries are trending up this week. We are getting reports that many growers are reporting a lot of Covid related staffing shortages. This is impacting all areas of the supply chain. Supplies are expected to be tight for at least the rest of the month.

MARKET OUTLOOK



MARKET ALERT

Beans Green



SUPPLY

FAIR

QUALITY

GOOD

Green Beans: Florida and Mexico continue to gap due to the weather in the growing area and are expected to continue for another week. Supplies are good on the West coast and price are steady.

Snow Peas: Snow peas are tight on the West coast as supply from Mexico is very light but should start to increase. Volume out of East coast is steady and supply is low coming from Guatemala. Expecting volume to increase in the next week.

MARKET ALERT

Broccoli



SUPPLY

FAIR

QUALITY

GOOD

Supplies will be limited this week. Growers are reporting low yields at time of harvest. Market pricing increased from last week. Growers are expecting supplies to be lighter with the colder temperatures in Yuma AZ. (F.O.B pricing for this week \$19.58 - \$20.95)

MARKET ALERT

Brussels Sprouts



SUPPLY

SHORT

QUALITY

FAIR

Supplies continue to be extremely short for this week. Growers are reporting some improvement in yields going into next week. Quality is reported as good at this time. Expect for limited supplies the next few weeks (F.O.B pricing for this week \$45.75 - \$46.15)

MARKET ALERT

Carrots



SUPPLY

POOR

QUALITY

GOOD

California labor is still a huge problem. With short staff, some pack sizes are challenging and to keep decent volume is complicated. There are a few items being prorated but we hope to be over this in about 3 weeks. Quality and flavor are excellent.

Cantaloupes



SUPPLY

GOOD

QUALITY

GOOD

Market has continued to settle further following the lack of demand after the holiday period. Jumbo fruit is now scarce while availability on 9/12/15s is good. Lighter arrivals are expected for a few weeks, especially with the primary growing region concluding its first cycle. Overall quality continues to be solid.

MARKET ALERT

Cauliflower



SUPPLY

SHORT

QUALITY

FAIR

Supplies continue to be very limited this week. Overall quality is reported as fair only, growers are reporting lower yields at the time of harvest. Supplies are expected to be light for the next few weeks. (F.O.B pricing for this week \$32.00 - \$33.00)

MARKET OUTLOOK



Celery



SUPPLY
GOOD
QUALITY
GOOD

Supplies continue to be about average for this week. Demand has slowed down this week. New Crop out of Yuma has started. Market is more active this week compared to last. Current harvest is coming from Oxnard CA and Yuma AZ. (F.O.B pricing for this week \$15.45 - \$17.05)

MARKET ALERT

Citrus



SUPPLY
FAIR
QUALITY
FAIR

Limes ALERT: Costs continue to increase rapidly as overall market demand outpaces supply. We're currently seeing a price escalation of approx. \$2-\$4 per day, which should slow down a bit upon importation of more offshore fruit from Peru and Colombia to supplement the Mexican supply. Consistent rain events over the past week have contributed to availability deficiencies, paired with logistical challenges and personnel shortages due to increased COVID outbreaks in the packing sheds. **We do not expect relief over the next few months**, as yields are expected to vastly decline into February. Demand trends will dictate velocity of cost increase. The crop is currently peaking on small sizes; large fruit will become increasingly scarce. Overall quality and shelf life has improved upon introduction of the new production cycle. However, we are seeing increased blanching represented on the current crop; although color can appear mixed, product is **fresh**. Additionally, recent rain trends could yield excess quality issues to appear in the form of skin breakdown/styler, which is caused by internal fruit saturation prior to harvest. As availability declines, please plan supply in advance and be cognizant of frequent price increases.

Lemons: Lemon market and availability are currently steady. Peak sizing on 115/140 count fancy with limited 165 and smaller. Mexican lemons are being shipped into Texas with Nogales being done. California lemons are coming out of District 1 and 3.

Oranges: Moving into Washington variety which is normal for this time of the season. The Washington variety is light in volume this season and the fruit is on the larger side, this rain has caused the fruit to grow even more. Peak sizing is on 72/88 counts. Quality is excellent and the brix level are high. Cara Cara and Blood oranges are being harvested with peak sizing on 88 counts.

MARKET ALERT

Corn



SUPPLY
FAIR
QUALITY
GOOD

Prices for Corn is trending up this week. We are getting reports that many growers are reporting a lot of Covid related staffing shortages. This is impacting all areas of the supply chain. Supplies out of South Florida are following their usual seasonal supply pattern and sizing is typical for winter corn as it is much smaller than summer corn Production is expected to pick up in the weeks to come.

Cucumbers



SUPPLY
FAIR
QUALITY
GOOD

Prices for Cucumbers are trending up this week. We are getting reports that many growers are reporting a lot of Covid related staffing shortages. This is impacting all areas of the supply chain. Product from Honduras is facing unloading delays in South Florida. Supplies out of Mexico are still tight due to the previous holiday closures. Look for tight markets for another week or two.

Eggplant



SUPPLY
GOOD
QUALITY
GOOD

Prices for Eggplant are trending up this week. Growers are currently reporting limited acreage and cool temperatures out of Florida as well as Mexico. This is helping to keep supplies tight. Covid related staffing challenges is a factor too.



MARKET OUTLOOK

MARKET ALERT

Grapes



SUPPLY
SHORT
QUALITY
FAIR

The transition from a short California crop to import grapes has been nothing but challenging. It's a struggle across the entire supply chain on both coasts with container shortages, transloading/cross-docking, labor, and USDA holds. West Coast are seeing longer delays. Combination of all these things is causing demand to rise on all grapes varieties and prices to be high. Reds are the most impacted. Market is expecting to get better in mid-January when Chilean grapes are expected to arrive.

MARKET ALERT

Herbs



SUPPLY
FAIR
QUALITY
GOOD

Cilantro: Supplies will be limited this week. Most growers will be shipping out of Yuma and Mexico next week. Freezing temperatures has slowed down plant growth. (F.O.B pricing for this week \$21.65- \$23.48)
Rosemary: Rosemary continue to be short on both coasts due to the rain and cooler temperature in Mexico and Columbia.

Honeydews



SUPPLY
FAIR
QUALITY
GOOD

Offshore honeydews continue to be light at all ports causing the market to hold at higher price. Honeydew from South Mexico are also tight shipping from Nogales and South Texas. Expecting the market to settle down towards the end of January since Honduran production as started. Quality and brix level have been good.

Iceberg



SUPPLY
GOOD
QUALITY
GOOD

Supplies continue to be steady for this week. Market pricing continues to be good. Quality and Weights will continue to be very good this week. Expect some outer leaf quality issues due to early morning frost in Yuma. Growers are expecting for steady supplies the next few weeks. (F.O.B pricing for this week \$11.20 - \$11.80)

MARKET ALERT

Leaf



SUPPLY
GOOD
QUALITY
GOOD

Romaine ALERT: Supplies are light this week. Overall quality is only fair. Weights will be on the lighter side until supplies improve. Expect some outer leaf quality issues due to early morning Frost in Yuma. Growers are expecting better supplies in the upcoming weeks. (Romaine pricing for this week \$16.61 - \$18.48 and Romaine Hearts pricing for this week \$20.70 - \$21.70) Both supply and quality is Fair.
Green & Red Leaf Lettuce: Supplies continue to be good this week. Growers are reporting short yields due to colder temperatures. Quality is reported fair to good for this week. Supplies will continue to improve and remain steady for a few weeks. (F.O.B pricing for this week \$10.10 - \$11.50)
Tender Leaf: Supplies continue to be good this week. Demand is good on tender leaf; quality is very good. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$4.65 - \$4.75)

MARKET OUTLOOK



MARKET ALERT

Mushrooms



SUPPLY

SHORT

QUALITY

FAIR

Shitake Mushrooms: 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

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.

MARKET ALERT

Onions



SUPPLY

FAIR

QUALITY

GOOD

This market remains of high concern for the duration of this crop. Price remain much higher than average with reduced yields. Expect the OR/ID crop to remain high and tight. Reds have increased in price and will continue to climb. Onions from Mexico is starting to cross the border but won't see good volume until February. Waiting to see what the Mexico crop brings to the table here in a couple of weeks. Labor shortage and freight continues to be challenging to all the growing regions.

MARKET ALERT

Onions Green



SUPPLY

SHORT

QUALITY

FAIR

Supplies continue to be extremely short this week. Market pricing continues to be high. Quality will only be fair at this time. Supplies coming from Mexico will be extremely limited for the next few weeks. Cold weather has also slowed down crop growth. (F.O.B pricing for this week \$31.95 - \$32.43)

Pears



SUPPLY

FAIR

QUALITY

FAIR

New crop Bartletts, Anjou, red pears and Bosc are now shipping out of Washington State and Oregon. The volume this year seems to be light with the fruit expecting to run a size or two smaller than last season. The large high-quality fruit will bring a premium this year and the prices will trend up over the next couple of months on them. Prices on Bartlett pears is rising with strong demand in the last few weeks. Most shippers will finish up with their Bartlett crop sometime this month.

Peppers Bell



SUPPLY

FAIR

QUALITY

FAIR

Prices for Green Bell Peppers are trending up this week. Prices for Red and Yellow are trending down. We are getting reports that many growers are reporting a lot of Covid related staffing shortages. This is impacting all areas of the supply chain. The new fields in Florida are in the early stages of ramping up production. Supplies out of Mexico are still tight due to the previous holiday closures. Look for tight markets for another week or two.

MARKET ALERT

Peppers Chili



SUPPLY

GOOD

QUALITY

GOOD

Prices for Chili Peppers are mostly stable this week. Supplies are following the normal seasonal trend. Supplies are traditionally tight this time of year. Production is coming out of South Florida and Mexico. **ALERT - Poblano Peppers**

MARKET OUTLOOK

Pineapples



SUPPLY

GOOD

QUALITY

GOOD

While Pineapple volume is where we would like it to be this time of year, we are experiencing a higher cost to go to market. Quality and taste profile are great.

MARKET ALERT

Potatoes



SUPPLY

FAIR

QUALITY

GOOD

This market remains of high concern for the duration of this crop. Potato market has stabilized on all sizes for now but it's a mixed profile depending on the region. Price remain much higher than average with reduced yields. Cold weather and snow are now playing a part in the northwest along with continued shortage of trucks and freight concerns. With the shortage on trucks, freights continue to be extremely high.

MARKET ALERT

Squash



SUPPLY

FAIR

QUALITY

FAIR

Prices for Green and Yellow Squash are trending up this week. We are getting reports that many growers are reporting a lot of Covid related staffing shortages. This is impacting all areas of the supply chain. Supplies out of Florida are following their usual tight wintertime pattern too. Supplies out of Mexico are still tight due to the previous holiday closures. Look for tight markets for another week or two.

MARKET ALERT

Strawberries



SUPPLY

FAIR

QUALITY

FAIR

Prices for Strawberries are trending up this week. We are getting reports that many growers are reporting a lot of Covid related staffing shortages. This is impacting all areas of the supply chain. Supplies are expected to be tighter than normal for another week or two. Rains and Cool Weather in California and Mexico has slowed down production. Supplies out of Florida are expected to ramp up in the weeks to come.

Tomatoes



SUPPLY

FAIR

QUALITY

GOOD

Prices for Tomatoes are trending up this week. Production is down out of Florida due to cool temperatures and holiday/covid related staffing challenges. Growers are looking for production to pick up out of Florida and Mexico in the weeks to come. That is expected help keep prices in check.

Watermelons



SUPPLY

FAIR

QUALITY

GOOD

Seedless watermelons in Florida are off to a good start with continued supplies expected until early April. Arizona and Texas are shipping watermelons from Southern Mexico. Expect light supplies in January on seedless.

Why the Food Supply Chain Is Strained. Again.

Experts say farms are still producing enough food, but the Great Resignation and the omicron surge are leaving grocery store shelves around the country bare.

BY LISA HELD - JANUARY 13, 2022

At a **Giant** supermarket in Maryland this Tuesday evening, shoppers were surprised to discover that coolers and bins that normally held bananas, leafy greens, and onions were completely empty. “This is freaking me out,” one man confided to another, as they circled the area in confusion. In the meat department, the only item in a cooler normally filled with chicken breasts was a sign indicating they were temporarily out of stock “due to recent surges in COVID-19 cases and the resulting labor shortages.”

In what can feel like a repeat of spring 2020, people are sharing photos of similar scenes at stores around the country, and reports of empty shelves are coming in from **Massachusetts** and **Florida**. While this round of shortages has some things in common with the last one, a lot has changed in the two years since Americans—both at home and in Washington, D.C.—**began paying attention to food supply chains** in a new way.

Once again, experts and food companies say that there is plenty of food in the country, but a bundle of factors along the supply chain appear to be preventing it from getting to shoppers. What’s new is a shortage of workers that began with **the Great Resignation** and has spiked with the omicron surge, compounded by short-term disruptions in certain industries and regions from extreme weather and produce recalls.

While companies are hustling to get through the surge and expect things to level out soon, some are also already working to change their models to avoid similar challenges in the future, and experts say how the food system operates is certain to change in longer-term ways.

The Supply Chain Right Now

“**W**e don’t have a problem with farms producing enough food. We have problems with not enough labor in the supply chains between the farms and the consumers,” said Paul Lightfoot, president and founder of **BrightFarms**, a company that grows leafy greens hydroponically at five indoor farms in the Midwest and on the East Coast.

Since the start of the pandemic, workers in many industries **have been quitting their jobs** in high numbers. Food workers across the supply chain have long been some of the **lowest paid across industries** and subject to **terrible working conditions**; now they’re facing burnout. During COVID-19, workers in **meatpacking plants**, food manufacturing plants, **grocery stores**, and **restaurants** suffered through outbreaks and deaths, while being pushed to work harder to meet increased demand. In November, a month when **4.5 million Americans quit their jobs**, six representatives from a broad cross-section of the country’s food system told the House Agriculture Committee that the labor shortage is the number one “immediate” issue facing national supply chains. And then omicron hit.

“The food industry continues to adapt to a shifting marketplace, but the bottom line is that we must have access to a stable workforce in order to adequately meet the demands of American consumers,” Greg Ferrara, the president and CEO of the **National Grocers Association**, told congressmembers at the hearing.

Ed Cinco, director of purchasing for **Schwebel Baking Company** in Ohio, said his company had never faced a shortage of workers so pronounced in its 115-year history. Jon Samson, the executive director of the **Agricultural & Food Transporters Conference**, said the trucking industry, which moves food, packaging, and other items used in food production from ports to warehouses, farms to distribution centers, and distribution centers to supermarkets, was short 80,000 workers.

Two months after the hearing, the number of COVID-19 cases reported around the country daily has **increased more than eight-fold**. That means that while food, trucking, and grocery companies were already scrambling to hire, now a more significant number of the workers they do have are staying home due to illness. While vaccines.....

For full story: <https://civileats.com/2022/01/13/why-the-food-supply-chain-is-strained-again/>

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, LLC Staff

