



WEATHER UPDATE

Yuma— No precipitation on the 10-day forecast. Sunny and partly cloudy with highs in the mid 70s and lows in the lower 50s. **Mexico (Culiacan)**— Sunny and partly cloudy week with highs in the mid 80s and lows in the lower 50s. **Florida, Southern**— Erratic weather patterns all week. Possible showers on Monday and Friday/Saturday. Highs in the upper 60s and lows in the lower 50s. **Oxnard**— Sunny and partly cloudy all week with highs in the upper 60s and lows in the lower 50s. **Salinas**— Possible showers on Sunday, but outside of that, partly cloudy all week with highs in the mid 60s and lows in the mid 40s. **Idaho**— Snow showers and partly cloudy with highs in the mid 30s and lows in the mid 20s.

TRANSPORTATION

The National Diesel Average has been recorded at \$3.037, down \$0.027 a gal from last week and up \$0.072 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 have loosened up across the country but still have slight shortages in the following regions: San Luis Valley Colorado and Pac North West.**

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MARKET ALERT

CAULIFLOWER
CUCUMBERS
GREEN ONIONS
RED LEAF
POTATOES
SUMMER SQUASH
TENDER LEAF (Arugula)
TOMATOES

ON THE RADAR:

ASPARAGUS
STRAWBERRIES

MARKET OUTLOOK



Asparagus



ON THE RADAR—The Peru season is coming to a close and the Mexico markets are starting up. The market continues remain tight and we anticipate this trend to continue for a couple weeks. West Coast imports are struggling in comparison to import product landing on the East Coast. Markets are beginning to spike and supply is becoming short, especially on the West Coast. No prorates at this time but markets will remain up until Mexico is in full swing at the end of January.

Avocados



Markets are stable and supplies are plentiful but the market will begin to see activity leading up to the Superbowl. The CA market has began but is only supplying about 5 percent of the industry. The supply will continue to increase as we move into February and continue through Spring. Overall flavor and quality has been improving.

Bananas



No issues on the horizon with banana supply. Good quality is being harvested with slightly smaller sizing. Plantains are also seeing better numbers and should continue to be headed in a positive direction.

Berries



Blackberries— : The Blackberry market has moved up some with weather causing harvest issues. Nothing major yet, but expect to see an increase in FOB's leading into next week. Hopefully some release towards the end of next week as weather improves.

Blueberries: Plenty of volume coming out of Mexico right now and quality is great. Prices are expected to stay steady next week. Most marketable berry out of the four major berry categories.

Raspberries: Raspberry supplies significantly tightened up this week, but like blackberries, we hope to see the markets come off some as we see a better weather pattern and more consistent harvest schedules.

Broccoli



Supplies have improved this week. Growers are reporting better supplies with warmer weather in the Yuma area. Good quality is also been reported at this time.

Brussels Sprouts



Supplies are holding steady and production has been good. The sprouts have had a great couple months but the supply is beginning to turn downwards as northern production areas end. As northern supply decreases over the next week and MX begins to start up, we anticipate a more active market while the gap is bridged.

MARKET OUTLOOK



Cabbage



Production has been impacted and supply is short at the moment. Green cabbage has rebounded some this week but red is still lagging behind. Moving into next week, supply should continue to rebound as long as weather cooperates.



Cauliflower



Cold weather has began to affect flower harvests and frost has caused a small gap in the market. We plan for markets to remain escalated for another week.

Cantaloupes



Import programs have continued to show good sizing and quality remains very consistent with solid brix levels and good supply. Overall supply will drop some as growing areas begin to move. Sizing has remained on the larger size and is projected to remain that way for the coming weeks. Supply has shifted to Costa Rican imports.

Celery



Supplies continue to be very good with product coming from Yuma, AZ and Mexico. Growers are not reporting any quality concerns.

Corn



The freeze earlier this week put some pressure on corn. Some growers are reporting harvest delays. Overall the cooler weather shouldn't have much of an impact on supplies or cost at the moment.

Cucumbers



The freeze in Florida impacted cucumber supplies earlier this week. Mexico is still recovering from unusual rains earlier in the season. Growers are expecting prices to be elevated for another 2 to 3 weeks.

Eggplant



Pricing is facing some upward pressure this week; although supplies are expected to remain steady.

MARKET OUTLOOK



Grapes

Peruvian Red Seedless—The market is up on import product reaching the high 20's and low 30's. Supply is limited but increasing. Chile has still struggled to provide supply keeping markets up. Peru Green Seedless—Some Sweet Globes/Ivory/Thompson are available but overall supply is limited. Sugarones are also available and helping out with overall demand.



Honeydews

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Iceberg

Supplies have improved this week. Good quality and improved weights are also being reported by growers.



Leaf

Romaine: Romaine has rebounded and supplies have improved this week. The warmer weather has also helped quality; although some growers are still reporting occasional fringe burn. Market is expected to remain steady for next week.



MARKET ALERT



Green Leaf/ Red Leaf/ Butter (Boston) Lettuce: Product is on alert with lower volumes on red leaf. Colder weather has held back supply and has kept the market slightly up. Seeing some quality concerns such as fringe burn and blistering due to weather conditions. Green leaf supply and quality are in much better shape than red leaf.

MARKET ALERT

Tender Leaf (Arugula)



Supplies are still tight and costs are still elevated on **Arugula** and Spinach items. The weather is expected to be favorable for growing over the next week. Supplies are expected to increase next week and going forward. Market is still **ON ALERT** for Arugula.



MARKET OUTLOOK



Lemons & Limes



LIMES: The lime market was on the incline which is historically how the market trends in January, until last week. There has been a surplus of supply crossing the border and the sizing has been well balanced and distributed. This has kept markets low and FOB's have been in the mid teen range. We will closely monitor this as it's atypical for January trend.

LEMONS: Lemon supply and quality continue to be flush with heavy supply. Very little fluctuation from last week with FOB pricing out of CA and AZ markets. The season continues to be strong and the price gap between choice and fancy is small.

Onions



Overall the onion market is slightly increasing but nothing drastic at this point. The increase happens as pack houses take time off during the holiday breaks. As we move into February, we anticipate a steady market with a chance of slight increase on FOBs. Red's remain around \$6-7 range while whites hit the \$13 mark. Yellow jumbos are in the \$9 FOB range.



Onions, Green



Supply has dropped coming out of Mexico due to weather being below normal levels. Onions are not maturing fast enough to keep up with normal demand. There is an expectation for the market to rebound in the next week with warmer temperatures on the forecast. Overall supply has been hit and will remain escalated up through next week.

Oranges



The CA and FL orange markets are in solid supply and in good quality across the board. The choice market has been hovering around the low to mid teens and fancy market stronger on larger fruit. Better prices in the low teens on small fruit. No signs of immediate change in the orange market in the upcoming weeks.

Peppers, Bell



Supplies for bell peppers is improving. Growers are reporting higher production out of Florida and Mexico. Costing is moving down and quality is improving.

Peppers, Chili



The chili pepper market is steady this week but is showing some lower numbers on **Anaheim's**. Jalapeno, Poblano peppers, and tomatillos are in good supply with good quality. Overall good demand and good quality. Expect the markets to remain steady into next week.

MARKET OUTLOOK

Pineapples



Seeing the market shift some on pines with smaller sizing fruit becoming more readily available. Market is still steady but larger fruit is less abundant compared to 7/8 size product.

Potatoes



MARKET ALERT



EXTREME ALERT: The potato market remains in an extreme state with quality and supply continuing to struggle. Still seeing quality concerns in certain areas based on conditions during harvest. Open market availability is scarce. We have a long road to go this season and are still battling supply issues due to lack of overall supply in the marketplace. We recommend flexibility on sizing to get through this extreme situation and we will keep you updated on this unprecedented market.

Squash



MARKET ALERT



Supplies on Yellow and Green Squash is still running tight, although pricing is starting to come off a little. Weather in Mexico and Florida has impacted the supplies and growers are reporting challenges with quality. They're also expecting the market to remain the same for another week or two.

Strawberries



ON THE RADAR—Tuesday evening the temperatures got down below freezing in Florida. This led to growers needing to water plants to avoid frost damage. With wet fields, little to no harvest happened on Wednesday and the downturn of supply continued into Thursday morning. With very little fruit being harvested the outlook for FL growers is very limited and prorates can be expected to finish this week. Warmer temperatures are on the forecast but there is also some possible rain on Monday and then Friday/Saturday next week. Depending on how wet the conditions are will factor in on how numbers shape up leading into the week of Feb 3rd.

MARKET ALERT



Tomatoes



ALERT on 20lb 2 layers and 25lb packs.

Rounds - Prices remain elevated due to weather related challenges out of Florida and Mexico last month. Florida experienced freezing temperatures earlier this week that impacted production too. Small size fruit is just starting to see some price relief. Expect tight supplies and elevated prices for the next 1 to 2 weeks.

Romas - Prices on Romas are attractive right now compared to round tomatoes. Romas could be a great item to substitute for rounds until the market stabilizes.

Cherry and Grape Tomatoes - There is good supplies and costing for Grapes and Cherry Tomatoes right now. Production out of Florida and Mexico is steady.



MARKET OUTLOOK

The Rise of Food Tribes Will Change Marketing, Futurist Says

The Packer: January 20th, 2020

“LAS VEGAS — Futurist Mike Lee told attendees at the 2020 Potato Expo that potato marketers must cater to a diverse group of “food tribes” in thinking about serving consumers in the next decade and beyond. Lee, co-founder and co-CEO of Alpha Food Labs and founder of The Future Market, spoke Jan. 14 on “The Future of Food: Envisioning the Next Decade in Food and Potatoes.”

Signals of change

Lee said several “signals” will play a meaningful role in consumer demand for potatoes and other foods.

“I think a big theme of what I’m going to talk to today is that to be better as an industry within potatoes, it behooves you to not only understand what’s happening in your category, but what’s happening outside of your category,” he said.

He said the four macro trends are:

- The end of one size fits all — the new tribes of food consumers and what that means;
 - Understanding the values of the 21st-century eater;
 - Great expectations — the rising levels of expectations for quality and freshness;
- The flavor Renaissance — reinventing ways to look at flavor.

Rise of food tribes

Lee said consumers have increasingly identified themselves as members of various tribes, whether organic, gluten-free, Paleo or a dozen other designations. “The original red can of Coke was designed for every single person in this room,” he said. “That worked for a really long time.” Now, markets for specific foods and beverages are much more layered. For example, he said young people spend more on food than clothing. Lee said clothes have long been used by youth to reveal personalities, or perhaps what they aspire to be — an instrument of self-expression.

“So a lot of things are out of your control, but food is in your control,” Lee said. “And that’s sort of one thing that we can hang on to and kind of express who they are, and so food really becomes an identity. This is completely the opposite of the Coca-Cola model of mass consolidation, meaning every single one in this room has a completely different identity and the food is an extension of identity.”

As the appeal of mass brands decline and smaller brands are created around the values of each “food tribe,” marketers are changing their approach. “In 1950, if you were a vegan in Peoria, Illinois, you were probably the only person you knew that was a vegan,” he said. “But today, you can get online and literally find tens of thousands of other vegans who have the same dietary values you have.” Such tribes can cluster together and demand attention from food companies, he said. It can be easier to “shop by values” online than in stores.

“So the research that Potatoes USA has done says 44% of Americans are following specific dietary guidelines like low sodium, low carb, organic, clean eating, gluten-free and vegetarian,” Lee said. “And I would argue the tribes are kind of clustered around all of those things.” Those types of dietary considerations, along with such specialized diets like paleo or keto, now have the ability to demand the attention of food marketers through social media.

With about 70% of people eating potatoes, the industry is operating from a position of strength.

“In fact, the biggest barrier to more frequent potato use, according to Potatoes USA research, is the thought by consumers that they ‘already eat enough’ potatoes,” he said. Lee said opportunity may exist in exploiting little known varieties. “What I think is the end of one-size-fits-all kind of creates opportunities for is finding growth in some of the more kind of obscure or lesser-known potatoes where there’s much bigger growth opportunities,” Lee said. “People are looking for stuff that feels small, feels new, feels intimate,” Lee said.”

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!