



WEEK 50 : December 12 - December 18, 2022

MARKET OUTLOOK

Transportation:

National Diesel Average: \$4.967

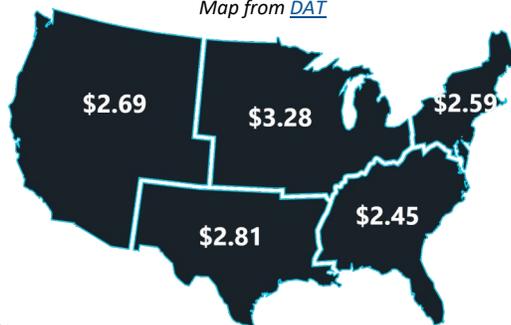
Compared to Last Year: \$3.674

National Fuel Surcharge: \$0.71

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

National Posted Rate per mile

*previous week's average outbound reefer rate for each region
Map from DAT*



Regional Weather Update:

Oxnard, CA: Showers and cloudy throughout the week with highs in the mid-50s and lows in the 40s with sunny on Tuesday.

Salinas, CA: Sunny, cloudy and shower through the week with highs in the 50s and lows in the high 30s to 40s.

Yuma, AZ: Sunny and partly cloudy through the week with highs in the 60s and lows in the 40s.

Immokalee, FL: Sunny and cloudy throughout the week with highs in the 80s to high 60s and lows in the low 60s to high 40s.

Idaho Falls, ID: Snow showers and cloudy throughout the week with highs in the high 20s to mid-teens and lows in the mid-20s to low single digit.

MARKET ALERT

- Broccoli (Extreme)
- Brussels Sprouts
- Cabbages
- Cauliflower (Extreme)
- Celery
- Chili Peppers
- Cilantro
- Corn
- Garlic
- Green Beans (Extreme)
- Green Onions
- Lettuces (Extreme): Iceberg, Green & Red Leaf, Romaine, Romaine Hearts & Tender Leaf
- Mushrooms (Extreme)
- Pepper Bell: Red & Yellow
- Potatoes
- Snow Peas
- Strawberries (Extreme)
- Tomatoes (Force Majeure)

MARKET OUTLOOK



Apples



SUPPLY

FAIR

QUALITY

GOOD

This year apple crop is on the larger size and higher-grade fruit. Small and off-grade fruits will be on the tighter side for the entire season.

Asparagus



SUPPLY

FAIR

QUALITY

GOOD

Production from Mexico has improved on all sizes but still light on XL and Jumbo. Peruvian production is good on all sizes and expected to continue through the mid-January. Quality is good. Market is down. Demand is slowing increasing for Christmas and New Year's.

Avocados



SUPPLY

GOOD

QUALITY

GOOD

As Aventajada fruit matures, dry matter increases, and holding temperatures should be set at 42 degrees. USDA pricing is slightly up from a week prior. The demand has remain strong post-Thanksgiving. With Christmas and New Year's Ads now on the books, the demand for fruit in the field is expected to remain strong for the remainder of the month. There's plenty of speculation on where pricing will land but one thing everyone agrees on is that there's plenty of volume in the fields to support promotions.

Bananas



SUPPLY

GOOD

QUALITY

GOOD

Banana is showing good quality and supply is expecting to remain stable through the remainder of the year. It has gotten a little cooler in the tropics, which is typical for this time of year. Be sure to adhere to best practices when handling bananas, even though quality remain strong.

MARKET ALERT

Beans



SUPPLY

FAIR

QUALITY

GOOD

Green Beans: **ALERT** Beans out of South Georgia are done. Overall supply from West and East coast continues to improve. Market continue to soften in the East. Volume and quality is expecting to remain strong through the holiday with the Florida crop. Volume and quality is beginning to improve in the West. Market started to soften in the West.

Snow Peas: **ALERT** California crop is light. Production out of Mexico and Peru has improved. Guatemala continue to struggle on quality issue due to the recent weather.

MARKET OUTLOOK



Berries



SUPPLY
GOOD
QUALITY
FAIR

Blackberries: Prices for Blackberries are trending down. Production is coming out of California and Mexico. Growers are expecting supplies to increase over the next couple weeks. Quality is being reported as very good with good flavor.

Blueberries: Prices for Blueberries are trending slightly up. Production is coming out of California, Mexico, and Chili. Look for tight supplies over the next few weeks.

Raspberries: Prices for Raspberries are trending up. Production out of Watsonville is winding down while Mexico is increasing. Growers are expecting supplies to increase over the next couple weeks.

MARKET ALERT

Broccoli



SUPPLY
FAIR
QUALITY
FAIR

EXTREME ALERT Supplies will continue to be limited this week. Good demand continues for Broccoli. Market pricing continues to remain strong, most of our contracts have reached our caps. Current supplies are coming from Yuma & Santa Maria. Supplies are also coming out of Mexico. We are expecting for supplies to be better for next week. (F.O.B pricing for this week \$45.00 - \$46.00)

MARKET ALERT

Brussels Sprouts



SUPPLY
FAIR
QUALITY
FAIR

Supplies are good this week. Quality is also reported as good. Demand has increased the last few weeks. Market has increased with the increased demand. Steady demand for Brussel Sprouts is expected the next few weeks. (F.O.B pricing for this week \$31.55 - \$32.65)

MARKET ALERT

Cabbages



SUPPLY
FAIR
QUALITY
FAIR

Supplies continue to be light for this week. Growers are reporting lower yields this week. Previous consecutive days with cold temperatures has slowed down yields. Expect market pricing to remain strong the next few weeks. (F.O.B pricing for this week \$26.00 - \$28.00)

Carrots



SUPPLY
GOOD
QUALITY
GOOD

Supply is slightly stronger out of California going into Fall. For this time of the year this is expected due to seasonality and weather changes.

Cantaloupes



SUPPLY
FAIR
QUALITY
GOOD

Arrivals of cantaloupe in Florida have increased, but demand continues to outweigh supply. Market remains highly active, with strong pricing being realized. Cantaloupe sizes are now a nice mix of 9/12s and even some 15s. Over the next 10-14 days, jumbo fruit will be limited. Quality has been consistent, with good external characteristics, and brix levels have remained relatively stable at 11-13%.

MARKET OUTLOOK

MARKET ALERT

Cauliflower



SUPPLY
LIMITED
QUALITY
FAIR

EXTREME ALERT Supplies will continue to be limited this week. Market pricing continues to remain strong, most of our contracts have reached our caps. Demand continues to be very good for Cauliflower this week. Supplies are currently coming from Salinas and Yuma. We are expecting for supplies to be better for next week. (F.O.B pricing for this week \$64.00 - \$68.00)

MARKET ALERT

Celery



SUPPLY
FAIR
QUALITY
FAIR

Supplies continue to be light this week. Quality has been reported as only fair at this time. Supplies are currently coming from Salinas and Santa Maria. Market is expected to continue increasing as demand remains high. Salinas will soon come to an end and transition to Oxnard. (F.O.B pricing for this week \$44.00 - \$44.90)

Citrus



SUPPLY
GOOD
QUALITY
GOOD

Limes: As the current production cycle comes to an end, quality and shelf life continue to deteriorate. Weather, including consistent rain events over the past few months, is also a major contributing factor. As a result, pack-out yields on U.S. #1 quality fruit have decreased, which is expected to drive market pricing higher in the coming weeks and throughout Q1. Costs are already rising in Mexico. New harvests are expected in the second or third week of January. Yields are expected to decline in response to weather-related trends, and prices are predicted to significantly increase in January. Supply chain disruptions in production are expected during the upcoming holiday season. To ensure supply, please plan ahead for your needs.

Lemons: California lemons are being picked in D1. Quality has been good. The appearance is picture perfect with bright yellow with a slivering tinge.

Oranges: Weather in California are favorable, with pleasant, cool days. The incredible flavor profile of California citrus so far indicates a great eating season. Navels displaying excellent natural color and increasing brix. While small fruit is peaking, values are in the 88s/113s, with 72s beginning to make volumes.

MARKET ALERT

Corn



SUPPLY
FAIR
QUALITY
FAIR

Prices for Corn are trending up this week. Supplies are tight out of the East and West. This is normal for this time of year. Volumes should pick up a bit out of the East as out of Florida ramps up production.

MARKET OUTLOOK



Cucumbers



SUPPLY
GOOD
QUALITY
GOOD

Prices for Slicing Cucumbers are trending up this week. Production is coming out of Florida and Mexico. Florida's volume is down due to Hurricane Ian. Look for improved volumes in a couple weeks. Mexico is crossing decent volumes. Growers are reporting good quality too.

Eggplant



SUPPLY
GOOD
QUALITY
GOOD

Prices for Eggplant are trending down this week. Production is coming out of Florida and Mexico. Look for good volumes going forward.

MARKET ALERT

Garlic



SUPPLY
FAIR
QUALITY
GOOD

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.

Ginger



SUPPLY
FAIR
QUALITY
GOOD

Import Ginger continues getting a little thin due to the increase of overall cost to import and some delay at port.

Grapes



SUPPLY
GOOD
QUALITY
GOOD

Domestic grapes are still available, and quality is still good. Red grapes imported from Peru may be slightly delayed because they need more time to mature to reach the proper brix percentage. Peru has started shipping green grapes. There is a wide range of quality and cost coming from Peru. Expecting no major issues in the coming weeks as things should fall into place.

MARKET ALERT

Herbs



SUPPLY
FAIR
QUALITY
FAIR

All herbs from Colombia continues to have quality issue due to the rain. Mexico herbs are steady except for specialty herbs, which are day-to-day. Chervil from both domestic and imported are having quality issue.

Cilantro: ALERT Supplies will be light this week. Quality will only be fair going into next week. Most growers will be shipping out of Oxnard and Santa Maria. Cold temperatures have greatly affected yields and quality. (F.O.B. pricing for this week \$25.65 - \$27.45)

MARKET OUTLOOK



Honeydews



SUPPLY
GOOD
QUALITY
GOOD

Honeydews are still in short supply, particularly in smaller sizes (6/8s) from offshore production. Majority of the sizing are primarily 5s and larger. Quality have been very good which is a welcome change from the previous 6-8 weeks. Honeydew have been generally clean with periodic scarring, and the internal quality is good.

MARKET ALERT

Iceberg



SUPPLY
LIMITED
QUALITY
POOR

EXTREME ALERT Supplies will continue to be limited for this week. Overall quality has been reported as only fair at this time. Weights are expected to be very light going into next week. We continue to experience quality issues at field level. Early morning Frost and cold temperatures are affecting quality and yields. Expect markets to remain escalated for a few weeks. Growers are now harvesting in Yuma. (F.O.B pricing for this week \$92.00 - \$93.00)

Kale



SUPPLY
GOOD
QUALITY
GOOD

Supplies continue to be steady for next week. Demand is down on Green Kale for this week. Good quality has been reported at this time. Supplies should remain steady for a few weeks. Market pricing is improving. (F.O.B pricing for this week (F.O.B. pricing this week \$11.45 - \$12.65)

MARKET ALERT

Leaf



SUPPLY
LIMITED
QUALITY
POOR

Green & Red Leaf: EXTREME ALERT (Green & Red Leaf) Supplies will continue to be short this week. Quality will only be fair at this time. Cold Weather and early morning frost is affecting quality. Market pricing will continue to stay escalated for another few weeks. Growers are now harvesting in Yuma. (Green Leaf F.O.B pricing for this week \$58.63 - \$60.45)(Red Leaf F.O.B pricing for this week \$56.45- \$58.65)

Romaine: EXTREME ALERT Supplies will continue to be limited for next week. Early morning frost and cold temperatures will affect quality. Romaine heads will also be on the smaller size. Expect escalated markets for a few weeks. Growers are now harvesting in Yuma. (Romaine pricing for this week \$60.65 - \$69.85) (Romaine Hearts pricing for this week \$86.00 - \$89.00)

Tender Leaf: EXTREME ALERT Supplies continue to be limited for this week. Demand has increased for tender greens due to higher prices on Lettuce commodities. Supplies will remain snug for another few weeks. Unusual cold temperatures are greatly affecting yields. Market pricing has escalated. Quality is Fair. Growers are now harvesting in Yuma. (F.O.B pricing for this week \$7.75 - \$9.75)

MARKET OUTLOOK



MARKET ALERT	<u>SUPPLY</u>	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.
<u>Mushrooms</u>	SHORT	
	<u>QUALITY</u>	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.
	FAIR	
<hr/>		
<u>Onions</u>	<u>SUPPLY</u>	Onions are shipping out of Colorado, Idaho, Oregon, Utah, and Washington. All sizes and colors are available. Quality is reporting as good. Demand and Market are steady. Colorado will be done by end of the month while Utah is expected through early January. Yields are down, as are acres planted, compared to the previous year. Planting for 2023 season is finishing up. Trucks are starting to get tight and freight cost are rising. This will also have an impact on precut.
	GOOD	
	<u>QUALITY</u>	
	GOOD	
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MARKET ALERT	<u>SUPPLY</u>	Supplies continue to be limited this week. Market continues to be escalated; it is showing signs of improvement. Green onions are coming from Mexico. Abnormal cold temperatures continue affecting yields. (F.O.B pricing for this week \$25.65 - \$27.45)
<u>Onions Green</u>	SHORT	
	<u>QUALITY</u>	
	FAIR	
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<u>Pears</u>	<u>SUPPLY</u>	The organic pear crop in the Pacific Northwest appears to be promising, with estimates indicating a volume increase over last year. Most organic varieties are seeing increased volume, which is encouraging in a year when much of Northwest tree fruit volume has been down. Sizing is looking to be two sizes smaller this year on summer pears (red and green Bartlett and, Starkrimson). The whole Northwest pear crop is estimated to be slightly up year-over-year, further strengthening the organic pear category.
	GOOD	
	<u>QUALITY</u>	
	GOOD	
<hr/>		
MARKET ALERT	<u>SUPPLY</u>	ALERT (Red & Yellow) Prices for Green Bell Peppers are trending up this week. Prices for Yellow and Red Bell Peppers are stable but are still extremely elevated. Production is coming out of Georgia, Florida & Mexico. Georgia is winding down. Florida is behind on volumes due to Hurricane Ian. Mexico is ramping up on volumes.
<u>Peppers Bell</u>	FAIR	
	<u>QUALITY</u>	
	FAIR	
<hr/>		
MARKET ALERT	<u>SUPPLY</u>	Prices for Chili Peppers are trending mostly down this week. Prices are still elevated, and supplies are mostly tight. Production is coming out of Florida and Mexico. Florida's volume is still being impacted by Hurricane Ian. Mexico is still behind on volume due to rain, cool weather, and hurricanes. Look for improved supplies in a couple weeks.
<u>Peppers Chili</u>	FAIR	
	<u>QUALITY</u>	
	FAIR	

MARKET OUTLOOK

Pineapples



SUPPLY

FAIR

QUALITY

GOOD

In the next few weeks, Pineapples are expected to start trending towards smaller sizes. The yield is improving and more 7ct and 8ct Pineapples are expected to be available. Quality is good with good brix level. Market is steady and demand is light.

MARKET ALERT

Potatoes



SUPPLY

FAIR

QUALITY

GOOD

The crop will be smaller this season because of the overall yield being lower than last year. Demand is strong for the holiday season. Prices remain high than normal, with the larger sizes fetching a premium and they become short. Packer are trying to stretch their inventory until New Crop start. Suggest staying ahead of inventory as prices are expected to raise and transportation will become a challenge through the holiday. Precut potatoes will be impacted as well.

Squash



SUPPLY

FAIR

QUALITY

FAIR

Prices for Yellow Squash are trending down this week. Prices for Zucchini are trending slightly down. Florida is ramping up production, but volume is under historical levels. Mexico is crossing Squash. Look for higher volumes in the weeks to come.

MARKET ALERT

Strawberries



SUPPLY

EXTREME

QUALITY

POOR

EXTREME ALERT - Supplies are at Critical Level Prices for Strawberries are trending down this week. Production is currently coming out of California, Florida, and Mexico. Growers are reporting a very tight market. California is expecting some heavy rain this week. That will impact the market in a negative way during the short term, but California does need the rain. Production out of Florida and Mexico will continue to ramp up as we move forward.

MARKET ALERT

Tomatoes



SUPPLY

EXTREME

QUALITY

BAD

FORCE MAJEURE - Supplies are at Critical Level Prices for 20 lb Round and Roma Tomatoes are trending down. Prices for 25 lb Round, Grape, and Cherry Tomatoes are trending up. Eastern production usually transitions South to Florida during this time of year. The recent hurricane activity has negatively impacted this year's plans. Growers are forecasting tighter supplies for another week or two. After that they're expecting to see volumes slowly ramp up a bit. South Florida growers are forecasting good volumes in early January 2023. The normal winter crop out of South Florida will be delayed at least a few weeks due to weather. Production out of Mexico is historically light this time of year. The recent hurricane activity in Mexico negatively impacted production too. It will be a bumpy ride for most of December. After December, look for improved market conditions and lower prices during around first of January 2023.

Watermelons



SUPPLY

FAIR

QUALITY

GOOD

Supplies on Seedless and minis continue to be tight. Market will be very tight in December and January. Florida has light volumes. Northern Mexico is wrapping up and Southern Mexico will start up out of Edinburg and Nogales after the first of the year. Offshore watermelon is starting with light volume.



MARKET OUTLOOK

Climate Change Is Pushing Pacific Northwest Farmers to Protect Crops from Extreme Heat

Farmers who grow apples, berries, cherries, potatoes, and more are facing more intense and frequent heat, and struggling to adapt their practices to protect their crops.

BY MICHAEL CROWE | DECEMBER 5, 2022

Hotter temperatures are changing the agricultural landscape in the Pacific Northwest, especially for iconic tree fruit growers. Keith Veselka has seen that first-hand over the past few years operating NWFMM, LLC, which manages 1,400 acres of apples and cherries for institutional investors across Washington state.

Over the last few years, Veselka has increased investments in mitigation strategies to protect crops against damage when temperatures soar, and he's noticed his neighbors doing the same. "More and more people are covering their crops with shade netting or some other type of material, and then they're looking at misters, which are like foggers that help create a cooler atmosphere in the orchards," he said. "And sometimes a combination of both."

Veselka's installed evaporative cooling at about 90 percent of his sites, covering about 30 percent of his crops. He also uses calcium and kaolin clay sprays, which physically cover fruit to protect it. In his experience, mitigations lead to about 20 percent to 30 percent less damage.

Washington leads the nation in producing apples and sweet cherries, but it's not just tree fruit crops under threat in the region. A large portion of the country's processed berries are grown in the Pacific Northwest, as are much of the nation's potatoes. During the deadly heat wave of 2021, researchers found that berries dried up on the vines and potato plant leaves were scorched and curled inward, an indicator of heat stress that can impact quality.

The sun- and heat-reduction techniques Veselka and others employ aim to minimize stress on plants and limit sunburn damage on fruit. Sunburn visibly hurts the apples' quality and can result in a 40 percent yield loss, according to some studies.

As growers work to preserve crops in hotter temperatures, regulators have also been working to ensure workers are protected as well. Farmworkers have long lacked protections from dangerous condition caused by the climate crisis, leading Oregon to pass heat and smoke regulations. Advocates in Florida have pushed for safeguards, and Washington passed smoke and heat regulations after the 2021 event.

Climate data continues to show a trend of warmer temperatures across the U.S., with growing impacts in the historically mild Northwest. Summer 2022 in the contiguous U.S. was the third-hottest recorded in 128 years, the National Oceanic and Atmospheric Administration (NOAA) reports, with an average 2.5 degrees Fahrenheit above average. Idaho, Washington, and Oregon each had the warmest August on record. Data from Climate Central's Climate Shift Index tool, which measures the fingerprint of climate change in daily weather, found most of the Northwest experienced 15-30 days of daytime high temps that were made at least twice as likely by climate change.

Changes to nighttime lows were equally troubling, according to Climate Central. Most of that area saw increased nighttime lows made at least twice as likely by climate change for 15 to 30 days. Parts of the Cascades, Central Oregon, and Southern Idaho experienced 30 to 50 climate-driven warmer nights over the summer. August nighttime temperatures in California, Oregon, Washington, Nevada, and Idaho were the warmest since record-keeping began in 1895.

Nighttime temperatures are fresh in Veselka's mind from the June 2021 heatwave, which drove unprecedented temps of 108 degrees in Seattle and 116 in Portland. Nighttime lows east of the Cascades offered little relief, ranging in the 70s. Veselka recalled that cherries "melted on the tree," and fields felt like convection ovens.

"They quit growing during that period of time, the trees just shut down," he said. "Your nighttime temperatures are when the tree relaxes and repairs, and they didn't have that opportunity. It created a lot of problems with fruit size...."

[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, LLC Staff