



WEEK 10: March 2- March 8, 2020

MARKET OUTLOOK



Tomatoes

High Alert

Rain and Cold Weather FL & MX



All Potatoes

Alert

Industry wide shortage from fall freeze



Cauliflower

Alert

Light supply to begin week.



Summer Squash

Alert

Cold weather and scarring



Cucumbers

Alert

Rain and Cold Weather FL & MX



Chinese Garlic

Alert

Coronavirus affecting exports

MARKET ALERTS



From Farm to Fork and Everything in Between®

OVERVIEW

The highlight falls on tomatoes after another week of escalated markets between rounds and romas. The summer veg and tomato markets are trying to recover but have still been weighed down by months of inconsistent harsh weather in MX and FL. The forecasts in major growing regions are all sunny/partly cloudy next week but there is a few consecutive days of rain on the CA and FL forecast starting march 9th. This system could take a toll on multiple categories heading into Mid-March. Yuma and desert veg continue to thrive.

Regional Weather Forecast

Highs

Lows

Yuma, AZ

Sunny and partly cloudy week with a cold front on Monday Mar 2nd.

Low 80s

Mid 50s



Oxnard, CA

Partly cloudy week before 4 straight days of rain starting Monday March 9th.

Upper 60s

Low 50s

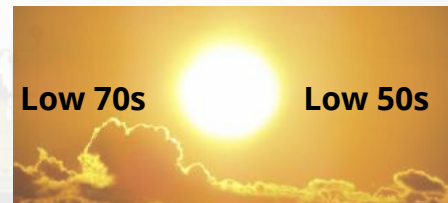


Salinas, CA

Partly cloudy week before 4 straight days of rain starting Monday March 9th.

Low 70s

Low 50s

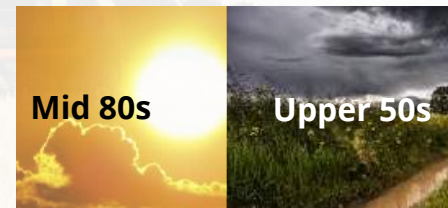


Plant City, FL

Cold front over the weekend followed by a warm and partly cloudy week. Possible showers Thursday and also Monday/Tuesday March 9/10th.

Mid 80s

Upper 50s



Culiacan Sinoala, MX

No precipitation on the forecast. Sunny and partly cloudy week with hot days and cool nights.

Upper 80s

Upper 50s

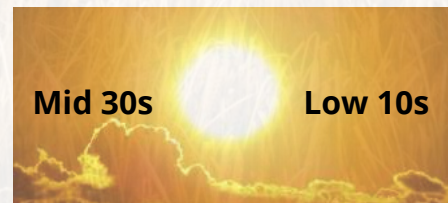


Idaho Falls, ID

Partly cloudy week with lows below freezing and highs in the mid/low 30s.

Mid 30s

Low 10s



Regional Transportation Report

National Diesel Average: **\$2.882**(wk 9)

2019 : **\$3.048**(wk 9)

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.

Regions with shortages: Currently no regions with truck shortages.

Weekly Market Changes

Asparagus



Quality: **GOOD** Supply: **GOOD**

Mexico markets are starting up and weather has been cooperating for good harvests. Extra heat this week has pushed MX production numbers and quality has been equally as good.

Avocados



Quality: **GOOD** Supply: **FAIR**

ON THE RADAR--There has been some release from last weeks alert. Supply of product crossing the border has increased and this has allowed some market pressure to release. We will continue to monitor up through next week because of the drastic jump last week.

Bananas



Quality: **GOOD** Supply: **GOOD**

Overall there hasn't been much fluctuation in the banana market. Supply and quality have been good and freight costs have been level leaving the banana industry quite stable.

Berries, Mixed



Quality: **GOOD** Supply: **FAIR**

ON THE RADAR--Blueberries remain somewhat troublesome with Chile coming to an end. There should be an uptick in supply as MX begins to have better support in the next few weeks. Raspberries and blackberries remain stable and should see increase in supply as well. Overall weather in growing regions appears to be cooperating and should help with improving supplies and keeping markets less active.

Broccoli



Quality: **GOOD** Supply: **GOOD**

Supplies continue to be excellent this week. Growers are getting very good yields for this week. Good quality and good weights are been reported by multiple growers. Expect market to be steady for the next few weeks.

Brussels Sprouts



Quality: **GOOD** Supply: **GOOD**

Supplies are holding steady and production has been good. Overall supply is solid and marketes are down. We expect this to remain level for a couple weeks.

Weekly Market Changes

Carrots

Quality: **GOOD** Supply: **FAIR**



ON THE RADAR—Jumbo carrots have continued to be tight nationwide. Overall sizing has slowed leaving supply somewhat limited due to colder weather. We will keep a close eye on how supply progresses in the coming weeks.

Cantaloupe

Quality: **GOOD** Supply: **FAIR**



Overall supply is solid but there is an expectation for supply to decrease some in the coming weeks and harvests transition from Honduras to Guatemala. Sizing still remains on the larger size with a majority of fruit hitting the 9/9J range.

Cauliflower

Quality: **GOOD** Supply: **FAIR**

ALERT



Supplies started light at the beginning of the week. Growers are expecting better supplies by the end of the week. Growers are reporting very good quality at this time. Expect market to be steady for the next few weeks.

Celery

Quality: **GOOD** Supply: **GOOD**



Supplies continue to be very good with supplies coming from Yuma, AZ and Mexico. Growers are not reporting any quality concerns. Contract prices are not escalated at this time and markets are expected to be steady for the next few weeks.

Corn

Quality: **GOOD** Supply: **GOOD**



Corn has stabilized and has not seen any quality or supply concerns.

Cucumbers

Quality: **BAD** Supply: **BAD**

ALERT



Supplies for cucumbers are extremely short right now. Mexico is facing challenges associated with poor weather conditions over the last few months. Cost are at levels not seen in many years and available product is poor quality. Production out of the East is mainly imported from Honduras. Domestic product out of Florida is scheduled to start production in March.

Eggplant

Quality: **FAIR** Supply: **FAIR**



Supply for eggplant is still a little tight. Production out of Mexico & Florida is down and quality is running fair right now. Growers are forecasting that the market should balance out leading into the 2nd week of March.

Weekly Market Changes

Chinese Garlic

ALERT



Quality: GOOD Supply: BAD

Chinese garlic is on alert due to Coronavirus affecting labor and also ports allowing product out of China. We anticipate this to remain and also continue to add pressure on garlic prices until the virus is contained. The overall outlook continues to look worse as more and more time passes and import product is cut short.

Quality: GOOD Supply: GOOD

Grapes



We have seen some better volume arriving this last week on the Peruvian/Chilean fruit. The overall quality has been good and mostly larger fruit arriving as the new varieties arriving and Flames are finished. We will see good volumes for the next 3-6 weeks on both colors. Greens will start to really strengthen in the next 2-3 weeks as harvests are ahead of schedule. The reds will start to really get strong by the end of March and we will see things get very tight after that until Mexico begins the second week of of May.

Honeydew



Quality: GOOD Supply: FAIR

Overall supply is solid but there is an expectation for supply to decrease some in the coming weeks and harvests transition from Honduras to Guatemala. Sizing still remains on the larger size with a majority of fruit hitting the 5/5J range.

Iceberg



Quality: GOOD Supply: GOOD

Supplies are above normal this week. Warm weather is providing better yields at the time of harvest and overall quality has been solid. Promotable item as we expect good supply for the foreseeable near future.

Romaine Leaf



Quality: GOOD Supply: GOOD

Supplies continue to be above normal for this week. Growers are reporting very good supplies at the time of harvest. Overall good quality and weights on romaine.

Red and Green Leaf



Quality: GOOD Supply: GOOD

Markets are recovering on both colors. Colder weather held back supply but is now opening up. We anticipate this category to continue to improve into next week as warmer weather is on the forecast.

Tender Leaf



Quality: GOOD Supply: GOOD

Growers aren't reporting any issues on supply and quality has been fine. Look for this to continue for a few weeks.

Weekly Market Changes

Lemons



Quality: GOOD **Supply:** GOOD

Central CA is the heavy growing area currently and supply is looking solid through mid-May. Fruit is on the larger size but the overall sizing balance is stable. Markets will regularly lean towards smaller fruit so there should be a slight increase in 165/200ct as we reach April.

Limes



Quality: GOOD **Supply:** GOOD

There was a surplus of supply crossing the border up until this week, and after a period of abnormally high supply for this time of year, we are beginning to see the FOB's creep back up to normal range. USDA has smaller fruit in the low teens and larger fruit in the \$9-10 range.

Onions



Quality: GOOD **Supply:** GOOD

Overall the onion market has softened up since last week. More domestic crop is available in the market as MX product has just began. MX has started slowly but the additional product South of the border limits the exports leaving US. We anticipate this to hold moving through the next couple of weeks.

Green Onions **Quality:** GOOD **Supply:** GOOD



Supplies are back to normal after colder weather held this item back for a few weeks. Good quality and good yields reported by multiple growers. Prices are back to normal and not escalated.

Oranges



Quality: GOOD **Supply:** GOOD

Quality and flavor are excellent. Heading into March, there will be a surplus of larger fruit (56/72's) which will leave less availability of 88/113's. This will likely lead to a small increase in price on the smaller sized fruit. If lack of smaller fruit continues into April, Valencia's will then pick up the slack.

Peppers, Bell **Quality:** GOOD **Supply:** FAIR



Growers out of Mexico are reporting good supplies and quality on bell peppers this week. Pricing has come down and quality is picking up daily. The weather in Mexico and Florida is forecasted to be favorable next week. That will help keep supplies and costing stable.

Pineapple



Quality: GOOD **Supply:** FAIR

Limited sizing on larger fruit and suppliers are asking to potentially be flexible where possible on sizing to help with filling orders and avoid supply issues. Sizing has been heavier on 7/8s and limited on 5/6s.

Weekly Market Changes

Potatoes

ALERT



Quality: FAIR Supply: BAD

FOB averages for the past week on size 40-70s in the \$20-22 range. 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.

Summer Squash

ALERT



Quality: BAD Supply: BAD

Supplies for summer squash is tight right now. Quality yellow squash is almost impossible to find. There seems to be a little more green squash available but quality is challenging as well. Production continues to be impacted by poor weather conditions over the last few months in Florida and Mexico. Growers aren't expecting much relief for the next 2 or 3 weeks.

Strawberries



Quality: GOOD Supply: GOOD

Florida had a surplus last week which drove the price down to nearly single digits but have now taken a step back this week due to colder temps and some rain. There is still enough supply, but it has slowed down. The forecast is looking solid across the growing regions so we don't anticipate anything drastic happening. Rain is expected in FL and CA starting Mar 9th, so we will expect some upward movement as that unfolds.

Tomatoes

ALERT



Quality: BAD Supply: BAD

Pricing for Tomatoes is still holding at elevated levels right now. 20 and 25 lb. Round Tomato prices are trying to work down a bit this week. Roma Tomatoes were hit the hardest by weather. Costs on Roma's is holding at very high levels. Shippers are still reporting a lot of quality challenges. Many growers are offering rounds in place of Roma's. Rounds are a better price value and the quality is more acceptable too. Production out of Mexico hasn't fully recovered from all the cold weather and rains over the last 2 months. Production in Florida isn't high enough to keep a lid on the markets. Growers in Mexico are forecasting that the current tight supply situation will last through most of March.

Industry Report

Freight Farms, Sodexo plan brings container farms to colleges

The Packer: January 29th, 2020



"Container farm manufacturer Freight Farms and Sodexo have plans to bring hydroponic vertical farms to schools and universities across the U.S.

The partnership will give customers of Sodexo, an institutional foodservice and facilities management company, access to Freight Farms' 320-square-foot Greenery containers, according to a news release. According to the release, the Freight Farms containers allow institutions to address issues that include food safety, sustainability, traceability, year-round production and freshness of what they serve.

"Sodexo's commitment to offer onsite food production to its customers helps accelerate food system decentralization — leading the charge for better sourcing practices at an institutional level," Brad McNamara, Freight Farms co-founder and CEO, said in the release.

The containers can grow a variety of lettuces, herbs, brassicas and other leafy greens, according to the Freight Farms website.

"Students, institutions and corporate businesses want healthy, safe, and delicious food, and they want it sourced as sustainably as possible," Kenny Lipsman, director of the produce category for Sodexo, said in the release. "Sodexo is proud to use and support the latest agricultural technology to create meaningful food system change.

"There are 35 "educational and corporate campuses" with Freight Farms containers, and the company expects that to rapidly expand through the Sodexo partnership, according to the release."

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