



WEEK 15: April 6 - April 12 , 2020

# MARKET OUTLOOK



All Potatoes

.....

**Alert**

.....

Industry wide shortage from fall freeze

## MARKET ALERTS



Chinese Garlic

.....

**Alert**

.....

Coronavirus affecting exports



From Farm to Fork and Everything in Between®

## OVERVIEW

Below highlights some troubled areas for this week and heading into the upcoming weeks. On top of these issues, growers are experiencing heavy swings in demand due to **COVID-19**. Normal food service business has dropped significantly and retailers are doing what they can to fill their shelves. This uncertainty is adding to the complexities that already exist in the produce supply chain and also is pushing prices up for some commodities. NPC urges all parties to keep communication strong and work with suppliers and distributor partners as we all work through the chaotic times.

There has been some additional marketplace release from last week as a lot of commodities were recovering from weather in growing regions, working through the transition and also COVID-19. The weather has turned favorable and supplies are looking better. Suppliers are still seeing chaotic ordering as food-service has dropped significantly and retail pulls are beginning to decrease. We are beginning to see prices drop quickly as the suppliers are flooded with inventory and additional product in the pipeline. A lot of categories are firing on all cylinders finally with limited end users to take on the product. Most #2 product is no longer being sold, so overall quality across the board is excellent leading to very few items on alert.

# Regional Weather Forecast

Highs

Lows

Yuma, AZ

Sunny and partly cloudy week with no forecast of rain.



Upper 70s

Mid 50s



Oxnard, CA

Rain Sunday-Wed with sunny/partly cloudy remainder of the week.



Low 60s

Mid 40s



Salinas, CA

Potential for rain Saturday-Thursday. Remainder of week is partly cloudy.



Upper 50s

Mid 40s



Plant City, FL

Sunny and partly cloudy throughout the week.



Upper 80s

Upper 60s



Culiacan  
Sinaloa, MX

Cloudy and partly cloudy week.



Upper 80s

Mid 60s



Huron, CA

Partly cloudy week.



Low 60s

Mid 40s



## Regional Transportation Report

National Diesel Average: **\$2.586**(wk 14)

2019 : **\$3.078**(wk 14)

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:

Central and South Florida and Colorado Valley



# Weekly Market Changes

## Asparagus



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

Mexico grass is currently available and in full swing. Markets are near the bottom but have crept up with some labor issues and skeleton crews due to COVID-19. Historically price will come down until the mid/late March and then will work it's way back up into April. This week FOB's are in the low teens.

## Avocados



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

Overall the market is stable but has seen some bumps due to small/medium size pack-houses in MX closing down due to COVID-19. This will last through Easter and could continue depending on circumstances. The market prices were falling so the timing of the holiday should help stabilize. Currently California product has been in good supply and should stay that way unless Mexico shuts down operations and supply drops drastically.

## 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:** GOOD

The three mixed berries are all currently stable and loosening up with market conditions. Blueberries have seen excellent product and a surplus of supply in the market. With food service limited and retail slowing down the market will likely drop as inventories get long. Blackberries and raspberries are headed into volume quantities as we make our way through April.

## Broccoli



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

Better supplies with Broccoli this week. Harvest moving back to Salinas, CA. Good quality is being reported by multiple growers and supplies are expected to be steady throughout next week.

## Brussels Sprouts



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

Supplies are holding steady and production has been decent. Volumes have become partially limited due to discoloration and insect pressure.

# Weekly Market Changes

## Cantaloupe

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



Supply is available and in good quality but the demand has dropped significantly with food service being limited. This has put pressure on suppliers to limit inventory and has tightened up the marketplace. Will be starting up with domestic crop n AZ in about six weeks.

## Carrots

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



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.

## Cauliflower

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



Improved supplies this week with Cauliflower. Better supplies now that Cauliflower has moved back to Salinas, CA. Good quality is being reported by multiple growers. Supplies are expected to be steady for next week

## Celery

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



Better supplies this week for Celery. Production has moved to Oxnard, CA and Santa Maria. Good quality is being reported by multiple growers and supplies are expected to be steady for next week.

## Corn

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



Supplies on corn out of South Florida are in good shape right now. The weather has been favorable for quality and pricing. Look for corn pricing to hover in the low \$11.00 range for the next couple months.

## Cucumbers

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



We've experience huge price decreases on cucumbers over the last few weeks. Excellent growing conditions and the loss of demand from food service companies has put a lot of pressure on costing.

## Eggplant

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



The Eggplant market is at a much more stable place right now with growing conditions excellent. Demand is way down with COVID-19.

# 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.

## Grapes



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

Overall both red and green grapes are in good shape this week and are looking to stay in that condition moving into next week as well. Supply on each is backed up with solid inventory and quality has been awesome. Demand has dropped which should put more downward pressure on market prices.

## Honeydew



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

Supply is available and in good quality but the demand has dropped significantly with food service being limited. This has put pressure on suppliers to limit inventory and has tightened up the marketplace. Will be starting up with domestic crop n AZ in about six weeks.

## Iceberg



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

Good supplies coming from Huron, CA. Yuma, AZ growing region is done for the season. Good quality is being reported by multiple growers. Supplies are expected to be steady for next week.

## Romaine Leaf



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

Better supplies this week. Salinas, CA started this week with good supplies. Growers are reporting good quality. Supplies are expected to be steady for next week.

## Red and Green Leaf



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

Supply and quality have been good on both colors. Not seeing any issues on supply or quality heading into the end of the Yuma season.

## 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**

Lemons have been in a great spot all winter with CA having a very heavy supply. We have seen drops in inventory with CA growing regions getting some rain and retailers coming in heavy on supply to fill their stock. As we move through the season on the tail end, we will see sizing gaps and especially more pressure on larger fruit as retailers look to fill their shelves. No change in USDA FOB average from last week to this week.

## Limes



**Quality: GOOD Supply: GOOD**

Still seeing good supply on product crossing the border. FOB's dropped significantly this week with a flush of inventory crossing the border and fewer buyers with retail hitting a wall. Expect to see lower markets in the near term. USDA averages saw a drop of about \$4 on the FOB price across the board from last week.

## Onions



**Quality: GOOD Supply: GOOD**

As with almost all products, we saw a drop in the overall price of onions (all colors) this week due to a drop in retail pulls and an already limited food service marketplace. About a \$2 drop in FOB's this week and we expect product to remain in surplus keeping the market price low.

## Green Onions Quality: GOOD Supply: GOOD



Good quality and good yields reported by multiple growers. Prices are back to normal and not escalated.

## Oranges



**Quality: GOOD Supply: GOOD**

This week we saw a big drop in demand which will keep a market that was getting tighter in a stabilized position with additional inventory being available. Very little change in market FOB's this week on oranges but anticipate some decrease over the coming weeks.

## Peppers, Bell



**Quality: GOOD Supply: GOOD**

Good supplies on Bell Peppers. Product is being coming out of Florida and through Texas as well a Nogales from Mexico. Weather in Mexico and Florida has been good.

## Pineapple



**Quality: GOOD Supply: GOOD**

Good supply versus how much demand is currently in the marketplace. USDA FOB pricing dropped about \$1.50 on all sizes this week due to a drop in retail and food service. Expect to see solid product and good supply for the next few weeks.

# Weekly Market Changes

## Potatoes

**ALERT**



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

The potato market remains in an extreme state with quality and supply continuing to struggle. The overall price has remained the same or dropped \$1-2 in a market where most categories are dropping drastically. Still seeing quality concerns in certain areas based on conditions during harvest. Open market availability is scarce. With a drop in foodservice and retail though, we should see a better balanced marketplace in the coming weeks.

## Summer Squash

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



Cost for Yellow and Zucchini Squash is at a very depressed level right now. Just like with many other produce categories, excellent growing conditions and the loss of demand from food service companies has put a lot of pressure on costing.

## Strawberries

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



Bad weather in CA is expected early next week but the major drop in demand should outweigh the rain on the forecast. Easter pulls have been limited and some retail AD's have been pulled due to COVID-19. Markets will remain low heading into next week and likely the weeks to follow.

## Tomatillos

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



The Tomatillo market is limited due to very limited supply out of Mexico. There has been excessive rain and weather in Tomatillo growing regions. The drop in demand should help to keep things balanced but the market is still recovering from a steep spike after pour weather.

## Tomatoes

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



Pricing for Tomatoes is at depressed levels right now. We're hearing that some growers are walking away from fields. Inspections for 100% of tomatoes crossing from Mexico into the US will be implemented on Monday 4/6/20. Supplies could possibly be disrupted as the inspections ramps up.

## Eggs

**Price:** UP **Supply:** FAIR



**ON THE RADAR**- Not a produce item, but there has been significant change in price levels over the past two weeks due to COVID-19. Retailers have been selling out and eating up all inventory that food service hasn't needed. In one month price has doubled across the board on all eggs. We don't know if this will have a lasting affect but it likely will impact pricing as food service resurfaces to normal levels after COVID-19 is under control.

## Fresh Trends Points to Consumer Levers of Demand

The Packer: April 02, 2020

""The majority of consumers polled by The Packer believe they are buying more produce than they were 20 years ago. The Packer's Fresh Trends 2020 research reveals more than two-thirds of consumers said they were buying more fresh produce now than two decades ago.

That's good news for the entire produce business, and particularly for marketers of some fast-rising commodities. Avocados were the commodity that topped the list of items that shoppers said they were buying now that they did not buy previously, followed by asparagus and broccoli.

Value is important to fresh produce shoppers in 2020. Fresh Trends 2020 found that more than 60% of shoppers said they strategically buy products when they go on sale to help control their food budget. For 49%, buying store brands helps to keep costs down, and 35% say they clip and use coupons. While 26% of consumers said they haven't changed their eating habits in the past year, 23% said they are buying food that is less expensive and 38% said they eat at home more often to save money.

If value is top of mind, demand for local food is real, Fresh Trends research shows. Keeping dollars local hits home for 60% of shoppers who say they prefer to keep their food dollars in their local community. Fifty-three percent of respondents said they "make a conscious effort" to buy locally grown produce, according to Fresh Trends data.

This year's report also takes a close look at consumer attitudes about packaging and sustainability.

Fresh Trends finds 31% of shoppers said they almost always bought fresh produce in bulk to avoid unnecessary packaging. Nearly half of those surveyed (47%) said that the environmental effects of packaging crossed their minds sometimes—enough to prompt them to buy in bulk when possible. For 22%, convenience won out—they opted for the ease of packaged produce.

What's more, 55% of consumers said they would be willing to pay more for fruits and vegetables packed in containers made from recycled materials.

There is an abundance of both broad insights and commodity-specific revelations in Fresh Trends. Take time to find those insights that speak to your operation."

Link to consumer demand and commodity data by "The Packer":

<http://digitaledition.qwinc.com/publication/?i=655554&ver=html5&p=1>