



## MARKET OUTLOOK

April 5, 2019

### WEATHER UPDATE

**Yuma** - Sunny to partly cloudy next week. Highs in the 90s and lows in the 50s. **Oxnard** - Sunny to partly cloudy next week with a slight chance of rain next Sunday. Highs in the 70s and lows in the 50s.

**Mexico (Culiacan)**- Mostly sunny all next week until some clouds show up by next weekend with highs in the 90s and lows in the 50s. **Florida, Southern**- Sunny to partly cloudy next week with chances of rain on Tuesday with highs in the 80s and lows in the 60s. **Idaho**—Mostly cloudy next week with a chance of rain or snow during the week. Highs will be in the 50s and lows in the 30s.

### TRANSPORTATION

The National Diesel Average has been recorded at \$3.078 down \$0.002 a gal from last week and up \$0.035 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 are in good supply across the country.

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# MARKET OUTLOOK



## Apples



As we enter Q1 - the only 2 apples with any concern are the granny smiths and golds. These 2 varieties are still very tight especially on small sizes - 100s and smaller. Good supplies of reds, galas and fu-jis. Demand is solid with prices steady. Internal pressures and flavor has been one of the best years.

## Asparagus



The market and prices have elevated this week. Mexican growers are in the process of moving production from Baja to Central Mexico. Quality is reported to be fair at best, expect better quality when the harvesting transition is complete.



## Avocados



The current Avocado Market is stronger, to say the least. Markets have jumped up \$20+ on all sizes and grades over the past week or so. Mexican growers are now in the higher regions and they can be more patient about when their trees are cut. Promotions will be ending soon and many retailers have started to cancel promotions in April. In 2 weeks it will be Holy Week, which will only have 1 day of picking. 2 weeks after that will be Cinco. It is possible that high markets could continue until mid-May. California growers have started picking, but their volume is down considerably this year and it is still very early in the season.



## Bananas



Banana supplies have transitioned back to "normal" with on time vessels and arrivals from the tropics. Fruit quality remains good with no real changes in the short term



## Berries



**Blackberries**- The blackberry market is snugging up this week. Expect this market to remain tight for the next 2 weeks. Please expect possible pro-rates this coming week.

**Blueberries** -Chile is finished. Mexico - Volumes falling more quickly. Border crossing will continue to be a factor on supplies and prices. Florida - Volumes are tight, but will increase in late April as Florida peaks on Highbush varieties. Please expect possible pro-rates this coming week.

**Raspberries** - Quality improving out of Mexico. Supplies are a bit tight right now due to all the challenges with border crossings. Pricing is steady.



# MARKET OUTLOOK

## Broccoli



Broccoli supplies have improved this week. Growers have transitioned back to Salinas Valley for Broccoli, with better quality this week. Cooler weather & some rains can cause supplies to be lower than expected.

## Brussels Sprouts



Supplies are lighter this week, quality is only fair at best. Expect prices to be steady for the next few weeks. Cooler weather and rain has affected the new crop to start out of the Salinas Valley.

## Cauliflower



Cauliflower supplies improved this week. Cauliflower is back in Salinas Valley. Growers are reporting better quality this week. Cooler weather & some rains can cause Cauliflower supplies to be lower than expected. Some growers are anticipating for the markets to be a little higher next week.

## Cantaloupes



Overall quality and condition remain good. Growers are working to ship extra melons from GTM to Galveston as they will have extra Harpers & honeydews in Week #15. Most of the volumes from GTM are trending towards 9/JB 9. Harvested volumes will drop drastically on week 17 and 18 (25k per week). Current HD volumes is from GTM with CRI increasing production in week(s) 16/17. Overall HD size profile is trending larger.

## Carrots



Harvest just started in the Imperial Valley. Quality looks and yields looks good. Demand should fall off some with schools dropping out for summer. Expect no issues that should be a cause for concern.

## Celery



**MARKET ALERT**



Celery continues to be at all time high with markets anticipated to maintain at the higher prices until the end of the month. Santa Maria is about to start with Celery in the next few weeks and we are hoping this helps bring some relief in the market. Salinas Valley is behind and they are not expecting to start Celery until the end of May. We are closely monitoring this situations and will continue to update if anything changes.

## Corn



The market went up a bit, but there's still good volumes and good quality out of Florida and Mexico

# MARKET OUTLOOK



## Cucumbers



Demand has perked up for Eastern cucumbers, but supply is holding steady. There are some older crops have been through some weather, negatively affecting their yields. But, newer crops have average yields & good quality. In Mexico, Sinaloa's crops are winding down but Sonora's numbers are picking up as growers move further into crops. However, there are some quality issues, mostly soft cukes with limited shelf life. Baja has already started in a light way with strong quality. Expect Baja's volume to pick up over the next 2 weeks as more growers add to the mix.



## Eggplant



Eggplant volume has picked up a bit in Florida as new fields are finally into production. However, there is a mix of product quality. Fruit from some of the older fields has scarring and discoloration but newer crops have nicer product. Look for more volume in a few weeks when Plant City is up and running. Mexico's eggplant supply (out of Sinaloa) is expected to remain steady for the next 10-14 days. Quality is mostly good, but there are some occasional lots with challenges.



## Grapes



**Red Seedless**—Plenty of crimson arrivals from Chile & should continue until the middle of April when the prices will begin to rise as Chile will be coming up short on the crimson crop. Allison's & Timco are also arriving but not with enough volume to compensate for the crimson shortage. **Green Seedless**—Just about all of the Thompsons have arrived to the US. Most shippers are selling their non-storage greens in the \$26-20 range this week. Price will jump to the mid-thirties for April & if they are strong enough to get to May they will be in the \$40's.



## Green Beans



East still has an abundance of beans available as yields from current fields are strong. The normal production areas (Homestead, South FL, and the Lake area) have now been joined by Plant City. Quality is good from all areas. Mexico is plugging along with solid volumes and good quality as well. Weather and market factors could come into play, but at this point, supply is looking good for the Easter holiday.



## Herbs



The warmer weather has helped the growers winter crop to rebound, and supplies should be stronger by the end of the month on mint, oregano, parsley, and other herbs.



## Honeydews



Overall quality and condition remain good. Growers are working to ship extra melons from GTM to Galveston as they will have extra Harpers & honeydews in Week #15. Most of the volumes from GTM are trending towards 9/JB 9. Harvested volumes will drop drastically on week 17 and 18 (25k per week). Current HD volumes are from GTM with CRI increasing production in week(s) 16/17. Overall HD size profile is trending larger.



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## Iceberg



Supplies are better this week, some growers are finishing up in Yuma this week. Others growers have moved to the Huron growing area as anticipated. We are still seeing signs of epidermal peel and blistering. Light weights and tip burn on outer leaves are expected. Quality will improve once all growers have moved back to Salinas in two weeks.

## Kale



Market continues to be steady this week as more supplies have come on with the recent nice weather in Yuma. Quality is good with full bunches, and only an occasional yellow leaf being reported.

## Leaf



**Romaine** - Supplies are better this week, some growers are finishing up in Yuma this week. Others growers have moved to the Huron growing area as anticipated. Still seen signs of epidermal peel & blistering. Light weights & tip burn on outer leaves are expected. Quality will improve once all growers have moved back to Salinas in 2 weeks. **Green Leaf/Red Leaf & Boston/Butter Lettuce**- Supplies are better this week, some growers are finishing up in Yuma this week. Others growers have moved to the Huron growing area as anticipated. Having the same quality issues as romaine. Quality will improve once all growers have moved back to Salinas in two weeks.

## Tender Leaf



Growing as transitioned to California last Monday. Transitions are difficult for processors because they have to move their equipment from one area to another. Quality is dependent on mother nature as new crops ramp up. Product quality will improve as we move further along in the CA season.

## Lemons & Limes



**MARKET ALERT**



**Lemons**- Market continues to increase on smaller fruit, product will remain tight for the next couple of months. Prices are firming up & looking to remain steady with FOBs in the high \$20's & low \$30's on small sizes. Quality is reported to be good.

**Limes ALERT** – The market has improved a bit but pricing remains escalated with FOBs in the \$30s. Sizing remains smaller & big fruit demand exceeds supply.





# MARKET OUTLOOK

**MARKET ALERT**

QUALITY



SUPPLY

**Onions**

Onions are the same as last week. Markets are up around \$15 for reds and yellows with a lot of programs pulled but we are holding steady, whites are non-existent. Transition in four weeks but don't expect relief for another eight weeks.

QUALITY



SUPPLY

**Onions, Green**

Steady supplies coming in from Mexico. Green Onions supplies are expected to be stable for the next few weeks. Good quality reported with multiple growers.

QUALITY



SUPPLY

**Oranges**

Markets are looking steady on navels, same as last week. Good quality being reported. Sugar levels range from 11 to 12 Brix. Good availability on all sizes. Valencia oranges from Florida, Mexico, and Texas are also available. Plenty of specialty citrus available with good quality. (Sun Delite Mandarins, Pummelos, Cara Caras, Blood oranges, & Gold Nugget Mandarins)

QUALITY



SUPPLY

**Pears**

Pears are in good supply. Barts should go through February - Bosc should go through April. Red Anjous should go through June while Anjous through July -first part of August, just in time for new crop Barts.

**MARKET ALERT**

QUALITY



SUPPLY

**Peppers, Bell**

Florida's volumes have been consistent, but increased demand & Mexico's situation has tightened up Eastern availability. Southern Florida will pick the last crowns next week but will continue to harvest for a few more weeks, hopefully bridging the gap until Plant City pepper gets going. There's a fair mix of sizes available this week & quality is nice, but expect the profile to drop & quality to decline as farms move into later picks. Meanwhile, Mexico's pepper market is all over the board. Sinaloa growers are winding down, bringing minimal amounts of #1 product to market with little size. Newer crops

QUALITY



SUPPLY

**Peppers, Chili**

Mexico's chili pepper crops are enjoying good growing weather. Steady supply and good quality is available on all varieties this week. In the East, a few farms in southern Florida are shipping light volumes on select chilies. Eastern supply will remain limited until Plant City comes online in a few weeks.



# MARKET OUTLOOK

## Pineapples



Pineapple volumes have slowed as yields are lower coming off a strong Q1. There will be promotable supplies for the Easter Holiday, however not an oversupply as we have seen in previous periods. Weather patterns are the culprit here, but quality is otherwise very good with sizing availability more in the mid-range of 6/7ct.

## Potatoes



Potatoes are steady. Still a good spread between burbarks and norkotahs. Really the same as last week. Late storage quality concerns will be rising we will keep an eye on it. Bigger spuds are tight.

## Squash



With harvests in Homestead, Immokalee & Plant City, Florida's squash volumes are strong this week. However, windy Spring weather & occasional showers have created scarring and/or scuffing on yellow that is limiting availability for retail. Southern areas will continue for a few more weeks, but production is slowly transitioning to the central part of the state. Mexico's production is migrating from Sinaloa to Sonora. Southern farms are still shipping, but quality issues may put an end to this sooner rather than later. However, new crops in Sonora are increasing in volume & have really nice quality.

## Strawberries



**California** Supplies are ramping up in California. Prices are working lower. The weather is predicted to be perfect for next week. Note: Stem berries are expected to be attractively priced with expected exceptional quality for the Mother's Day holiday. **Santa Maria** - Peak of the season. Fruit is looking great and volumes are picking up due to the recent warm temperatures last week. Growers are reporting a big flower set, and volume is ramping up just in time for the upcoming holidays. **Oxnard** – Supplies will peak in about 3 weeks. Weather has been great. Peak volume is forecasted for just before the Mother's Day holiday. **Salinas** – just starting this week. Peak supplies are forecasted for the first week of May.

**Florida and Mexico**– Finished

## Tomatoes



**Florida**'s round volume is a little lighter this week. Most growers are harvesting from older southern crops while they wait for new crops to start in Palmetto/ Ruskin over the next 7-10 days. The sizing profile is pretty evenly distributed & quality remains good. Roma numbers are on the light side as well, but new crops have started in Estero and Ruskin/Palmetto and will come on with more volume in the next week. Grape tomato availability is strong with new crops and good quality in several growing areas. **Mexico** has a steady supply on vine-ripe & mature green rounds. Good volumes on roma's in Western Mexico. Warmer weather has spurred fruit to mature & ripen before it sizes up optimally, so jumbo & XL rounds are coming up a little short this week. Quality is mostly good, but there are challenges with fruit in areas where daytime highs & lows differ significantly. Grape tomato availability is expected to remain steady into next week, but the seasonal decline is underway & there have been some spotty quality concerns with soft fruit.





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## Cabbage

**Red Cabbage** Supplies are short, causing an increase in cost. Markets are escalated on whole case & process. **Green Cabbage** -Supplies are back to normal this week. Anticipating steady supplies for the next few weeks.



## Talk of border closure eases after supply concerns rise

Days after threatening to close the U.S.-Mexico border to halt illegal crossings, President Trump pledged to back off the plan for a year to allow Mexico to stem the flow.

The president's March 30 tweets kicked off concerns among businesses that rely on cross-border trade, including the fresh produce industry.

"Even the threat of closing the border is a detrimental action that impacts the entire produce and floral supply chain in both countries as well as consumers," according to an April 3 statement from the Produce Marketing Association.

"A break in trade at the border would cause a major disruption in the complex North American supply chain, which could result in limited or no choices for certain produce and floral products and, ultimately, higher prices for consumers."

The potential effect on avocados became a common theme in international media coverage and social media posts on how a closed border would affect consumers.

Mexican avocado f.o.b.s rose sharply in the days following Trump's threat — with reports of a 34% hike on April 2 being the sharpest spike in a decade — and analysts speculating avocado and imported vegetable prices from Mexico would continue to rise exponentially in the event of a border closure.

The U.S. Department of Agriculture on April 2 reported two-layer cartons of hass avocados crossing through Texas, sizes 32-60, were mostly \$56.25-62.25, and cartons crossing at California were \$55.25-62.25.

Jim Donovan, senior vice president of global sourcing for Mission Produce, Oxnard, Calif., cautioned against blaming the president on the price hike, even though prices doubled in two weeks. In fact, the price swing was not related to border debate, he said. "It is pure supply and demand imbalance," Donovan said April 3. "We are in the last quarter of the Mexican season and we naturally see a decline in available supply from Mexico in April-June. Normally California is harvesting by now in decent volume to fill the gap of weekly volume on a declining Mexican supply. ... As of today, things are calming down and should stabilize soon."

Even so, Donovan said Mexican exporters and U.S. importers were considering contingency plans, such as shipping produce by boat to California or East Coast ports. "I think all sides are taking the threat seriously, but in reality, to close the border would create a domino effect with USA and Mexican businesses of all types, not only fresh produce," he said.

<https://www.thepacker.com/article/talk-border-closure-eases-after-supply-concerns-rise>

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](mailto: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 and our Midweek Update released every Wednesday. Have a great week!  
Keeping You Informed,

