



WEEK 25: June 15 - June 21 , 2020

MARKET OUTLOOK



Bell Peppers

Alert

Growing Region Transition



Chinese Garlic

Alert

Coronavirus affecting exports



Green Grapes

Alert

Transition to Domestic



Brussels Sprouts

Alert

Quality Issues



Cauliflower

Alert

Heat and Harvest Gap



Corn

Alert

Weather and Rain East Coast



Oranges

Alert

Transition



Broccoli Crown

Alert

Heat and Harvest Gap



Cilantro

Alert

Heat and Rains in April



Eggplant

Alert

Weather and Rain East Coast

MARKET ALERTS



From Farm to Fork and Everything in Between®

OVERVIEW

Conditions have been great for most categories over the past couple of months leading into June, but now with summer around the corner, heat waves are beginning and putting some pressure on harvests, yields and quality. We are seeing more commodities on alert this week due to COVID-19, heat and harvest gaps.

Central Valley CA is hitting it's peak and is producing great numbers but will begin to see additional market pressure if the heat continues to increase. Harvests off the East Coast are doing well but have been hampered some by weather over the past month which has created some ups and downs in summer veg and the tomato market. Those categories seem to be balancing out but are still seeing some activity.

Food service numbers are looking better and this will add some pressure on growers to keep up with changes in demand. Please continue to keep communication up and orders in early in order to help with getting orders filled in full and on time.

Regional Weather Forecast

Highs

Lows

Oxnard, CA

Sunshine and ideal temperatures all week with no rain on the forecast.

Low 70s

Upper 50s

Salinas, CA

Sunshine and ideal temperatures all week with warmer temperature on Tues/Wed.

Mid 70s

Mid 50s

Lake Wales, FL

Thunderstorms all week.

Upper 80s

Low 70s

Watsonville, CA

Partly cloudy and sunny next week.

Mid 70s

Low 50s

Alma, GA

Partly cloudy all week.

Mid 80s

Mid 60s

Idaho Falls, ID

Partly cloudy and sunny all week with possible.

Mid 70s

Upper 40s

Regional Transportation Report

National Diesel Average: **\$2.396**(wk 24)

2019 : **\$3.105**(wk 24)

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:

Slight shortage in Central & South Florida.

Weekly Market Changes

Asparagus

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



Grass supply continues to move in an upwards position. Peruvian product is making it out of the country and is now in excellent supply. This trend should continue until the market evens out in the next couple of weeks. Product is primarily boat crop due to current flight restrictions.

Avocados

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



Overall the market is stable but we are seeing retail driving the market. Currently California and MX product have been in good supply. So far there has been sufficient quantity and quality of product crossing the border. No foreseeable issues in the coming weeks.

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**



Blackberries and Raspberries are losing steam out of MX and are beginning to transition into domestic crop. Blackberries out of Guatemala have taken a hit with Tropical Storm Amanda heavily affecting harvest conditions. Blueberries have been strong on the East Coast from FL and GA and are seeing a decent supply from the West Coast. Quality has been good across all three categories.

Broccoli

ALERT

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



Supplies will continue to be light on Broccoli for this week. Growers are currently working through light supplies at the time of harvest. Growers are expecting light supplies for the next few weeks. Growers normally reduce plantings this time of year due to local crop offerings.

Brussels Sprouts

ALERT

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



Supplies continue to be light on Brussels Sprouts this week. Quality is slowly improving which will help improve supplies. Market is active and prices continue to remain escalated. Growers are expecting for supplies to improve once local supplies start on June 15th.

Cantaloupe

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



Domestic season has started and is looking to have a good month of June. This week was slightly down in volume due to a production gap in March. We anticipate better number next week as crop continues to mature with good weather on the forecast.

Weekly Market Changes

Carrot Sticks



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

COVID-19 has had an impact on value added carrots and the array of pack sizes and cuts available to the market. The additional labor and contact throughout the supply chain has put this item **on the radar** until supply can catch up with demand.

Cauliflower

ALERT



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

Supplies will continue to be light on Cauliflower for this week. Growers are currently working through light supplies at the time of harvest. Growers are expecting light supplies for the next few weeks. Growers normally reduce plantings this time of year due to local crop offerings.

Celery



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

Good supplies are expected to continue for this week. The current harvest is coming from Oxnard, CA and new crop from Salinas, CA. Good quality is being reported by growers at this time. Good supplies are expected to continue for the next few weeks.

Cilantro

ALERT



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

Expect supply and quality to be down over the next few weeks. Rains in April impacted some of the fields and have limited the crop available for harvest at this time. That limit in addition to warmer temperatures will put pressure on the market and show some yellowing and reduced shelf life.

Corn

**EXTREME
ALERT**



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

Corn prices are elevated this week due to rains in the East. Production out of the West Coast isn't sufficient to cover demands. Price isn't a factor right now. The problem is that growers can't fill orders. Please give shippers extra order loading lead times so that they can work to secure product to fill your orders. Expected order cuts going forward. Growers are expecting tight supplies all the way through the 4th of July weekend.

Cucumbers



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

Good supplies, quality and pricing this week for cucumbers. The market is steady. Growers are expecting the market to tighten in the upcoming weeks.

Eggplant

ALERT



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

Eggplant supplies continue to be snug. Costing is elevated. Growers are looking for supplies to pick up in the upcoming weeks as production increases.

Weekly Market Changes

Chinese Garlic

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

ALERT



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: **BAD**

ALERT



We are making our way into domestic grape season and as we transition to domestic grapes, Chilean import greens are leaving a gap with MX and domestic production. Price is escalated as supply is low. We anticipate this to last a few weeks until supply can catch up and suggest looking at red variety as substitute until better green availability.

Honeydew

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



Domestic season has started and is looking to have a good month of June. This week was slightly down in volume due to a production gap in March. We anticipate better number next week as crop continues to mature with good weather on the forecast.

Iceberg

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



Good supplies are expected for this week. The current harvest is coming from Salinas, CA and Santa Maria, CA. Good quality and good weights are being reported by multiple growers. Supplies are expected to remain steady going into next week.

Romaine Leaf

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



Good Supplies are expected to continue with Romaine Lettuce. The current harvest is coming from Salinas, CA and Santa Maria, CA. Expect to see some tip burn on Romaine due to the heat wave southern CA is experiencing. Steady supplies are expected to continue 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 at this time.

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 steady over the past month but have crept back up in the last week. As we move through June, smaller size fruit is becoming limited and will remain that way until Chile begins in mid-June. We don't anticipate seeing a huge climb in the next few weeks, markets should remain slightly lower than normal due to lower demand.

Limes

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



Still seeing good supply on product crossing the border. FOB's dropped significantly a few weeks ago with a flush of inventory crossing the border. This week we've seen another drop in price and should continue to see a surplus in the marketplace.

Onions

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



We are seeing the WA storage crop season come to a close and the California summer crop begin. Transition to CA has been good with FOB's on yellows ranging from \$8-10 this week. Red's are in the \$6-7 range while whites are in the \$10-12 range. We anticipate a smooth couple of weeks with demand meeting supply.

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: **BAD**

ALERT



We have seen some pressure on price over the past three weeks and are beginning to see certain sizes more limited and increase in price. Market alert on oranges as pricing has been escalated. Valencia's began this week and will continue throughout the summer period. Navels will stay available throughout the summer but trend on the larger size until volumes return in Mid October.

Peppers, Bell

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

ALERT



Green Bells- Growers continue to report tight supplies. Cost are elevated. Production out of Georgia is picking up and expected to take some pressure off pricing during the weeks to come. California's production is ramping up out of Bakersfield CA too. Red and Yellow Bells- Growers are reporting tight supplies and elevated costing.

Pineapple

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



Good supply versus how much demand is currently in the marketplace. Expect to see solid product and good supply for the next few weeks with sizing on the larger side.

Weekly Market Changes

Potatoes



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

The potato market has stabilized over the past month as we have seen weaker pulls across the country. Burbank crop will be shipping until the Norkotah variety begins in late July/early August. Smaller size product will be in high supply and lower market prices than 40's-70s.

Summer Squash



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

Good supplies, quality and costing on Green Squash. Growers expect to see some strength in the Yellow Squash market going forward.

Strawberries



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

The strawberry growing regions are headed into a strong harvest period with good weather on the forecast in the growing regions. Quality has been excellent and Salinas/Watsonville are ramping up production but we are still seeing good numbers out of Oxnard/Santa Maria.

Tomatoes



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

Prices for all tomatoes dropped this week. Pricing for rounds is still slightly elevated but cost is down from last week. Roma tomatoes are attractively priced and the best value for the dollar at this time.

Watermelon



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

There was good balance between supply and demand as we moved past Memorial Day. Historically, after Memorial Day, demand and supply drop off for a few weeks and then build back up leading into the beginning of July. In the past week we have seen a surge in volume and anticipate this to continue with good weather on the forecast.

Industry Report

New Partnership to Bring "Next Generation of Avocados" to Market

Fresh Fruit Portal: June 12, 2020

The University of California Riverside has entered into a US\$2.25m partnership with Spain-based Eurosemillas to help the university bring to market the most promising and advanced avocado scions and rootstocks in its collection.

If successful, these varieties would meet diverse regional growing requirements, exhibit better post-harvest characteristics, increase yields, provide resistance against disease, and expand consumer market diversity, UC Riverside said.

"Eurosemillas has successfully commercialized citrus varieties developed at UC Riverside in the past. They have the global network and expertise to do the same with the next generation of avocados," said Brian Suh, director of technology commercialization in the Office of Technology Partnerships at UC Riverside.

Suh has worked with a team on this initiative for the past four years. Eurosemillas will obtain access to a small subset of the overall university avocado variety and rootstock collection for evaluation and testing on various continents to see if they perform as well as they do in California.

At the same time, the company will forge partnerships for commercialization that could lead to global market penetration of some of these selections.

"After 31 years of working with UC on many other crops, we are delighted to partner with UCR again in a new product like avocado," said Javier Cano Pecci, chief executive and development officer of Eurosemillas.

"The avocado market is growing and is currently dominated by the Hass variety. This is a great opportunity for growers, marketers, retailers, and consumers to have options and diversify to include better avocado varieties and rootstocks adapted to their regions."

Long History of Avocado Breeding

UC Riverside's 70-year old avocado breeding programs house one of the most elite germplasm collections of scion and rootstock breeding material in the world.

The University of California has partnered with California avocado growers since the inception of the industry a century ago and has had several plant breeders developing new varieties and rootstocks for the industry.

Bob Bergh headed the variety improvement program for nearly 40 years, which released among other varieties, the 'Lamb Hass' and 'GEM.'

This program is under the leadership of Mary Lu Arpaia, an extension horticulturist. The goal of the variety breeding program is to develop trees with high eating and market quality while increasing yield efficiency.

Arpaia said for the California industry to remain viable, growers must have new varieties that yield more than Hass, are more tolerant to environmental stress, and can be produced reliably under high-density planting systems.

"I am delighted by this partnership with Eurosemillas since it will help UC take this vision for the future toward reality," Arpaia said.

The variety improvement program has four selections being readied for release that can augment the 'Hass' variety in terms of seasonality and have potential for expanded environmental adaptation within California.

The program - which has been historically funded by the California industry through the California Avocado Commission - is selecting rootstocks that can resist Phytophthora root rot, the most common avocado disease worldwide, as well as salinity, drought, and heat, all of which are expected to become worse as the climate warms.

In collaboration with the California Avocado Commission, five UC Riverside advanced rootstocks exhibiting resistance to these major challenges are being evaluated by growers throughout California.

"This partnership with Eurosemillas will allow us to test our five advanced rootstocks in combination with 'Hass' and local scions in other countries to determine their potential outside California," Manosalva said.