

MARKET OUTLOOK



Apples



SUPPLY
FAIR
QUALITY
FAIR

This year's Washington State Apple Crop is now estimated at 121 million boxes vs shipping 133.5 million last year. This is a significant drop from last season but WA will have Apples to sell throughout the Year. Eastern Washington had 2 major wind storms late September/Early October where in some areas devastated orchards. Plus - some varieties did not bounce back from the year before, we call it a light set. Also, late October - we had a few days between 12 and 18 degrees - some apples did not make it through. Reds, Golds, Galas and Gr Smiths are the varieties mostly impacted by the loss. The Farm to Family Box Program has been a huge part of the price Increases seen in the past 2 Months.

Asparagus



SUPPLY
GOOD
QUALITY
GOOD

Market remains steady with good volume and quality out of Peru on the east. CA remains a bit higher and has increased even in the last 24/48 hours.

Avocados



SUPPLY
GOOD
QUALITY
GOOD

Today, inventory levels are slightly lower than last week. There's rain in the forecast all week in Mexico that may limit harvesting keeping crossing volume down. However, U.S. buyers have a good selection of supply currently available from Mexico, California, Peru, and Colombia with total supply peaking on 48s and smaller.

Bananas



SUPPLY
FAIR
QUALITY
FAIR

The Banana Sur Charge update has been provided and the \$2.00 or \$.50 upcharge will be lifted beginning Week #26. Sales continue to be up. The foodservice industry is experiencing the reopening of the states and we are working hard to have proper color in our DCs. Port delays in Hueneme have caused further issues on the West Coast but this is just two weeks from being corrected.

MARKET ALERT

Berries



SUPPLY
FAIR
QUALITY
FAIR

Blackberries : Prices for Blackberries are trending up this week. Production out of Mexico is declining. That's putting pressure on the markets. Supplies should pick up a bit out of California during the next few weeks.

Blueberries : Prices for Blueberries are trending slightly down this week. Production is coming out of Georgia and California. Growers are expecting production to start out of the Carolinas in a few weeks.

Raspberries : Prices for Raspberries are stable but remain elevated this week. Supplies are extremely tight out of Mexico. The post holiday demands is helping to keep prices stable right now. Growers expect tight supplies to remain for the unforeseeable future.

MARKET OUTLOOK

Beans, Green



SUPPLY

GOOD

QUALITY

GOOD

This market remains stable. Seeing good quality and demand.

Broccoli



SUPPLY

GOOD

QUALITY

GOOD

Supplies continue to be very good this week. Demand is good, quality is excellent on Broccoli. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$7.15 - \$8.10)

MARKET ALERT

Brussels Sprouts



SUPPLY

FAIR

QUALITY

FAIR

Supplies will continue to be light for another week. Demand is higher this week, quality is only fair at this time. Supplies will be short for another two or three weeks, as we transition to local product. (F.O.B pricing for this week \$28.85 - \$30.85)

Carrots



SUPPLY

FAIR

QUALITY

GOOD

Some fields are finishing the crop in the Imperial Valley. Partial shortages might occur with jumbos this week and the front part of next week. Next crop out of Kern County should have good size and going forward with no supply issues

Cauliflower



SUPPLY

GOOD

QUALITY

GOOD

Supplies continue to be very good this week. Demand has decreased this week, quality on Cauliflower is excellent. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$9.00 - \$9.05)

Cantaloupes



SUPPLY

FAIR

QUALITY

FAIR

Domestic cantaloupe production continues with a very slow start. Cooler nighttime temperatures in the region over the past two weeks slowed the maturation process but normal daily temperatures resumed the end of last week which should accelerate the melons. Strong retail demand leading into the holiday weekend had a vacuum effect on the larger fruit. A better spread of sizing should be the norm this week and better availability of product should begin to surface over the next 5-7 days. Early quality has been very good with excellent shell color and outstanding internal characteristics.

MARKET OUTLOOK



Celery



SUPPLY

FAIR

QUALITY

FAIR

Supplies continue to be light this week. Celery continues to be harvested in Oxnard CA and Santa Maria CA. Demand has decreased the last few weeks, quality will be fair as we are dealing with some seeder. Supplies are expected to remain steady for a few weeks.
(F.O.B pricing for this week \$7.53 - \$8.10)

Corn



SUPPLY

GOOD

QUALITY

GOOD

Prices for corn are trending down this week. Prices are at the bottom of the range. Production is coming out of Georgia. Growers are reporting nice quality. Production is now coming out of Phoenix Arizona this week too.

Value Item!!

Cucumbers



SUPPLY

FAIR

QUALITY

FAIR

Prices for Cucumbers are trending up this week. Volume out of Georgia is picking up. Production out of North Carolina begins in a week or so. Florida is basically done for the season. Volume out of Mexico is low as harvesting moves to new growing areas. This is putting some pressure on the markets.

Eggplant



SUPPLY

GOOD

QUALITY

GOOD

Prices for Eggplant are trending down this week. Volume is picking up out of the Eastern and Western USA. Consumer demands is running a bit weak post holiday. That's putting pressure on pricing.

Grapes



SUPPLY

FAIR

QUALITY

FAIR

Mexican crop grape production already here. Favorable weather will allow for growers to start picking. Coming out of Memorial Day, we do expect to see some market declines with supplies on the rise. Over the next 4 weeks, grapes will be a great promotional item. Expect to see great quality, and high flavor grapes out of Mexico in these next few weeks.

MARKET ALERT

Honeydews



SUPPLY

FAIR

QUALITY

FAIR

Melons scheduled to begin packing shortly after the July 4th holiday in central California. The lack of water availability in the state will create much uncertainty as growers continue to adjust their planting schedules based on federal/state water allocations. Many melon growers, who also grow other crops, have chosen to prioritize those other crops which could significantly reduce the overall melon acreage for the 2021 season. Labor continues to be a serious challenge for domestic growers as well as increased costs of materials especially cartons and pallets due to shortages that are being attributed to COVID effects.

MARKET OUTLOOK



Iceberg



SUPPLY

GOOD

QUALITY

GOOD

Supplies continue to be very good this week. Demand for lettuce is good, overall quality is good and weights are very good. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$7.15 - \$8.15)

Leaf



SUPPLY

GOOD

QUALITY

FAIR to
GOOD

Romaine: Supplies continue to be very good this week. Demand continues to be light this week, quality is only fair at this time. Experiencing some light fringe burn this week. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$7.05 - \$7.65) **Hearts (\$8.55 - \$9.80) Green Leaf/ Red Leaf/ Butter (Boston) Lettuce:** Supplies continue to be excellent this week. Demand is light this week, quality on Green and Red leaf is very good. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$7.08 - \$7.65) **Tender Leaf:** Supplies continue to be good this week. Demand is steady on tender-leaf, quality is good for this week. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$4.25 - \$4.75)

MARKET ALERT

Lemons

& Limes



SUPPLY

FAIR

QUALITY

FAIR

LIMES: The lime market has just about bottomed out in price on small sizes; large fruit is still scarce, so costs will decline at a slower pace. Overall availability is flourishing. We are also beginning to see greater availability on mid-sized fruit, including 200's & 175's. The current production cycle is coming to an end, which will ultimately impact initial color, quality, and shelf life. Please keep this in mind in regard to loading/order frequency. As we enter into the summer months, quality will be less-than-superior due to weather, including extreme heat and fewer rain events. As always, we will monitor the situation to ensure the best-quality product upon shipping and receiving.

LEMONS: Lemons are absolutely crazy tight right now due to a major labor shortage in CA. Losing picking crews daily due to Cherries and blueberries being picked. Shippers doing everything they can to cover contract business but struggling daily. Chilean import lemons to arrive the 2nd week of July which will help supply and hopefully relieve this shortage.

MARKET ALERT

Mushrooms



SUPPLY

FAIR

QUALITY

GOOD

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.

Onions



SUPPLY

GOOD

QUALITY

GOOD

Onions are steady rolling out west; seeing good quality and demand. Markets in CA are very stable with yellows \$7-10 per size, reds around \$9 and whites \$11-12. Seeing good demand.

MARKET OUTLOOK

Onions, Green



SUPPLY

GOOD

QUALITY

GOOD

Supplies are very good this week. Demand is steady on Green Onions this week. Quality remains good this week, supplies should remain steady for a few weeks. (F.O.B pricing for this week \$9.10 - \$10.25)

Oranges



SUPPLY

FAIR

QUALITY

FAIR

The pipeline is starting to flow, excess inventories are gone. Most of the new fruit is on medium and big sizes (72/56s/48s). Small sizes (138/113) starting to be limited and will be for the rest of the season.

Pears



SUPPLY

FAIR

QUALITY

FAIR

Pears are reaching the end of the season out of WA. Some varieties available out of CA but small sizes very limited.

Peppers, Bell



SUPPLY

GOOD

QUALITY

GOOD

Prices for Green, & Red Peppers are trending down this week. Prices for Yellow Peppers are stable. Volume is picking up out of Georgia. Volumes are impacted out of California due to labor shortages. Florida is basically done for the season.

Peppers, Chili



SUPPLY

GOOD

QUALITY

GOOD

Prices for Chili Peppers are trending down this week. Production is coming out of Florida, Georgia and Baja Mexico is picking up. Growers are reporting nice quality.

Pineapples



SUPPLY

FAIR

QUALITY

GOOD

Volumes have finally started to increase. Quality is good and supply will be really good for the foreseeable future. Internal color, sugar content and internal maturity are at optimal levels. But external color continues lower than desirable; rapid climatic variations accelerate internal maturity process but "de-greening" process is less effective due younger physiological age of the fruit.

MARKET OUTLOOK



Potatoes

SUPPLY

GOOD



QUALITY

GOOD

As normal for this time of the year, markets continue to increase \$0.50 to \$1.50 on bigger spuds this week. FOBs are at \$15 in some reports, while the majority is hovering \$12-15. Small spuds are sitting tight at \$6-8. Demand remains steady and no quality concerns at this time. NAPMN forecasts a 25,500 acre increase for the 2021 US potato crop. At 946,500 acres, this year's planted area would be up 2.8% from the 2020 crop. However, it remains 1.7% below 2019 acreage. Growers are expected to expand acre-age in 7 of 13 reporting states.

Squash

SUPPLY

GOOD



QUALITY

GOOD

Prices for Green and Yellow Squash are trending down this week. Production out of Georgia is picking up and putting pressure on the markets. Look for prices to remain stable as production picks up out of North Carolina, South Carolina and New Jersey.

Strawberries

SUPPLY

GOOD



QUALITY

FAIR

Prices for Strawberries are trending slightly down this week. The usual lower post holiday consumer demands is putting pressure on the markets. Production is coming out of Watsonville, Salinas and Santa Maria.

MARKET ALERT

Tomatoes

SUPPLY

FAIR



QUALITY

FAIR

Prices for 20 lb Round, Grapes, Cherries and Romas are trending up this week. Prices for 25 lb Rounds are trending slightly down. Production for Round Tomatoes is down out of central Florida & Central Mexico. Harvesting out of Northern Florida, the Carolinas, California & Baja is ramping up. Romas and Grapes are extremely tight at this time. Look for tight supplies for another couple weeks.

Watermelons

SUPPLY

GOOD



QUALITY

GOOD

Prices for Watermelons are trending down this week. Grower are reporting good volume of South & North Florida. Production out of Georgia is just starting. Supplies out of Arizona is picking up with supplies out of Mexico is tightening up. Consumer demands traditionally drop after holidays and that should help put some pressure on pricing too.



MARKET OUTLOOK

Dan Davis with Starr Ranch comments on increased growing costs
“Retailers need to get used to selling cherries for at least \$2.99/lb”

Washington’s cherry season is here. “We have some minor oddball varieties that are being picked now already, but harvest of larger volumes will start this Friday, June 4,” says Dan Davis with Starr Ranch Growers. “From there, harvest will ramp up pretty quickly and by the middle of next week the lines will be running full shifts.” The one-week overlap with California’s season is expected to have a minimal effect.

Still bit of scarcity: Washington state is looking at increased production compared to last year. “Although we are expected to have a good crop, it will be nowhere near record volumes,” commented Davis. “If anything, there will still be a bit of scarcity.” In the most recent second crop update of Northwest Cherries, estimated volume showed a six percent downward trend from the first forecast. The state now expects to harvest 22.37 million boxes. “That downward trend will continue, in particular for the front half of the season,” Davis shared. The state was hit with frost during bloom and following the frost, it seems the trees haven’t come along as well. “This leveled out the production peaks and as a result, we expect to have fairly consistent supplies throughout our harvest time frame.”

Cost of growing up 30% :What are the expectations on pricing? Davis anticipates pricing to remain strong. “One of the lessons we learned from last year is that cherries don’t require a discount to move well,” he commented. “Certainly, the economics require pricing to be increased as the cost of growing cherries has gone up tremendously in the past two to three years.” Labor is just one of the costs that has gone up. With a minimum wage of \$13.69 per hour, Washington’s average wage rate is the highest in the nation. Nevertheless, it continues to be a struggle to get domestic workers. As a result, Starr Ranch brings in guest workers. “The guest worker pay is based on an Adverse Effect Wage Rate, which is \$16.34/hour,” commented Davis. This does not include costs for travel, accommodation, etc.

In addition to labor expenses, the costs of supplies like cardboard, pallets, and packaging have gone up dramatically as well. “All in all, we are faced with a 30 percent higher cost to put a pound of cherries on a truck. To keep cherries a viable crop, retailers and consumers in the domestic market will have to get used to paying at least \$2.99/lb. for quality cherries.

Less exports expected: In an average year, Starr Ranch exports between 25 and 35 percent of its total cherry volume to its main off-shore destinations Japan, Korea, Taiwan, and China. However, this year, the company expects exports to trend towards the lighter side. “With increased costs for shipping, reduced reliability, and delays, we need to be very careful with exports. It is a difficult game to play. We’ll do a lot less export if the domestic market is robust.”

Despite the reality of higher growing costs, the industry is optimistic about this year. “Last year was such a trial and we are looking forward to a good season with fantastic eating quality cherries,” Davis concluded.

<https://www.freshplaza.com/article/9326507/retailers-need-to-get-used-to-selling-cherries-for-at-least-2-99-lb/>

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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

