



WEATHER UPDATE

Salinas— Sunny to partly cloudy next week. Highs in the 70s and lows in the upper 50s. **Oxnard**— Sunny to partly cloudy next week. Highs in the 70s and lows in the 60s. **Mexico (Culiacan)**— Partly cloudy next week with chances of thunderstorms around Tuesday. Highs in the high 90s and lows in the high 70s. **Florida, Southern**— Cloudy with chances of scattered thunderstorms throughout the entire week. Highs in the 90s and lows in the mid 70s. **Idaho**— Mostly sunny next week. Highs in the 90s and lows in the 50s.

TRANSPORTATION

The National Diesel Average has been recorded at \$3.055 up \$0.013 a gal from last week and down \$0.184 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 in most of the country, however there shortage in Southeast Missouri and eastern North Carolina.**

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MARKET ALERT

- AVOCADOS
- BLACKBERRIES
- RED & YEL PEPPERS
- ALL LEAF
- ONIONS
- ASPARAGUS
- CORN
- PARSLEY
- RED CABBAGE
- STRAWBERRIES
- SWEET POTATOES

MARKET OUTLOOK



Apples



As we look into the Summer Months (June/July/August) - it appears Washington is in pretty good shape. Golds variety will be the only variety where we will be coming right to the end with new crop just starting so it will be tight, especially with small sizes. Gr Smiths, no problem with supply throughout the summer but.... like golds - small sizes (125,138cts) will be a challenge. Fruit size -peaking on 72/80/88cts. Reds/Galas/Fujis, good supplies throughout the summer. Smaller sizes are not as plentiful as larger sizes, but we will have them for our customers. Honeycrisp, we should be able to get through the first week of August - maybe 2-3-week gap.



Asparagus



MIA: Due to limited flights from Peru and a very low percentage of jmb and xl on all shipments we will possibly be prorating asp next week. We will have more information over the weekend on what was able to ship out. LA: Also affected by flights and extremely low imports from MEX suppliers are limited and prices are extremely high. Quality is struggling in general, more so with light feathering. JBO and XL are extremely short. Sizing is running very small.



Avocados



The new Flora Loca crop has started. Initial reports are that the crop size is mainly 60's and smaller, 48's and larger are only a small percentage of what is being picked. This crop is also very clean, with less than 5% being reported as #2 fruit, whereas the last crop had up to 20% considered #2's. Markets are coming down, and it will take a few weeks to stabilize again, especially in regards to ripening which will be a challenge for a couple of weeks.. Peru is sending in mostly big fruit, 40's and larger, while smaller fruit is tightening up. . CA is finishing up, and most of that fruit will stay to the west. MX FOBS back in the \$60s and \$70s compared to the high \$80s last week; dropped \$15-30 FOB.MX is fully into the raining season, which might affect further picking and fruit can start showing lenticel damage. (outside scarves – not affecting at all flavor, flesh quality). This can bring more #2 down the road.



Bananas



Conditions are relatively stable with inbound supplies as we enter into the summer months. Volumes are declining slightly from all importers but this is normal for the time of year. Fruit quality is very good.



Berries



Alert - Blackberries - The market will remain elevated until harvesting starts in the Pacific Northwest regions in the next couple of weeks. Quality is very good. Due to the previous rain and high temperatures, growers are seeing a significant drop in yields for blackberry production in Northern CA. Expect to see a shortage in supply and rising prices. **Blueberries** - Prices are high. Seasonal production in California and Mexico are on the decline. Supplies will increase once harvesting begins in the Pacific Northwest regions in a few weeks. Quality is very good. **Raspberries** - Prices are inching up. California stocks have been slightly impacted by all the heat. The harvesting transition in Mexico is complete. Quality is very good. There's pressure on the raspberry market due to the tight supply situation on Blackberries and Blueberries.

MARKET OUTLOOK

Broccoli



Suppliers are on the lighter side this week. Seeing good quality and demand across the board. Market is sitting around \$10. Growers are reporting average yields. Good quality is reported by multiple growers.

Brussels Sprouts



Supplies are very good at this time. Markets are back to normal. Good quality is also been reported with multiple growers. No shortages or pro-rates are been reported at this time.

Cauliflower



Cauliflower supplies are lighter than normal and tightening up as we get into next week. Demand and quality remain strong. FOBs currently around \$12-15. Expect markets to increase for next week.

Cantaloupes



California production continues to increase each day as more growers get started. Overall volume has been slow to start due to issues during the planting period and cooler than normal weather the past few weeks. The cooler weather is causing the fields to produce mostly mid to small sizes (12/15s) leaving 9s and larger in a limited position. We anticipate a shift to more larger fruit as new fields start breaking over the next 7-10 days. Quality has been exceptional on the new valley fruit with brix levels running mostly 12-16%.

Carrots



Supplies are steady. Jumbo carrots seems to be short. This has pushed prices up a bit but Canada is starting so that may change. Quality is good right now and we don't expect to see any changes in the near future on that.

Celery



Supplies are better this week. "FINALLY," the markets are back to normal and are not escalated. Good quality is being reported with multiple growers. No shortages to report at this time. FOBs are sitting around \$13-16.

Corn



MARKET ALERT



Corn is hot hot hot. Different suppliers call it different things; non existent, almost none, maybe next week, etc. Markets are hitting \$20, this should improve in a couple of weeks. Demand is high. Customer are picking up any color that's available at time of loading.

MARKET OUTLOOK



Cucumbers



Cucumber supplies are somewhat limited and spread out in the East. There's a little fruit from late GA crops, light volume from NJ, some small pockets of local product in KY, VA, TN, etc, but no major go-to area yet. MI will be the next major production area. A few growers have scratched fields, but most won't have significant volumes for another 5-7 days. The West has also been shy on product as cooler weather has slowed Baja's production. Warmer temps are on the way and a few more growers have started, so we should begin to see more fruit from Baja as soon as next week.

Eggplant



GA still has eggplant to offer but quality is hit or miss, sending buyers to other states with new crops. Eastern NC has a significant crop with strong volume that's just getting into the swing of things and several other local areas are beginning to show up with fruit. The West has fully transitioned to CA's Central Valley where supplies have started out lightly due to cooler weather.

Grapes



There is still fruit being harvested in Mexico and Coachella and we have already started our Central California fruit as well. The Mexico and Coachella fruit will probably see some damage this weekend and temperatures will be 110-120 which could burn up greens and reds in those regions. We will keep you posted as to what we hear. The Central California fruit, is looking very good. Most retailers are moving to load in the Central Valley due to quality and will probably help to get things moving here in the valley. Mexico and Coachella will probably go for another 2 weeks, but we will see how the weather effects them.

Green Beans



Both Eastern and Western markets have plenty of green beans available to meet demand. After a recent shortage in the East, there are at least 5 states coming in with product now. Western volume is concentrated in CA, although there are also beans in WA and more to come from Baja.

Herbs



Alert- Parsley (Curly / Italian) –Parsley supplies continue to be very limited this week. Italian (flat) parsley has improved but curly is extremely short. Quality is being reported as fair to good. Prices remain escalated this week. No shortages or pro-rates are been reported at this time. Lemon grass cost has doubled & should stay firm for the summer. All other herbs are steady with good supplies.

Honeydews



Honeydew production remains mostly limited in the newer growing regions as fields have not sized up due to the cooler weather as well. Daily harvests have shown a high percentage of 8s causing poor yields which have left larger fruit very limited. We do expect this situation to ease as more production starts to hit the market over the next week. The honeydews have also been experiencing consistently higher brix levels with the range being 11-14%.

MARKET OUTLOOK



MARKET ALERT

Iceberg



Supplies continue to be a challenge this week. Plants are still recuperating from the early June heat wave. Weather is expected to be warmer this weekend in the Salinas Valley (Low 80's). Really Hot weather is expected south of Salinas reaching 104-108. Expect to see some quality issues on the outer leaves with fringe burn due to the excessive heat from 3-weeks ago. Keep in mind growers are harvesting 20% less yield than normal. No shortages are being reported. **Inform** customers to **inspect & wash** all lettuce items before serving. We anticipate the markets to be lower by the end of the week. **Alert includes all salad blends**— expect escalated pricing.

QUALITY  SUPPLY 

Kale



The market continues to remain steady with plenty of supplies. Quality is being reported as fair. Markets are expected to remain steady for the next few weeks as demand is fair at best right now.

QUALITY  SUPPLY 

Leaf



ALERT-Romaine Lettuce / Romaine Hearts/ Green Leaf – Supplies are still very limited and markets will continue to be escalated this week. Expect to see multiple quality issues with irregular sizing, cupping, fringe burn, twisting, & occasional internal burn. **Inform** customers to **inspect & wash** all lettuce items before serving. No shortages to report currently. Salinas is expecting warmer weather this weekend, this will hurt more than help supplies. **Alert includes all salad blends & leaf fillets as well**- Expect escalated pricing this week due to whole case commodities in short supplies. **Red Leaf & Boston/Butter Leaf** – Supplies are fair at best, quality is struggling quite a bit as well. Demand remains strong which is putting a strain on these categories.

MARKET ALERT

QUALITY  SUPPLY 

Tender Leaf



Markets remain elevated. There is some limited production to allow upcoming fields to gain size / weight. There are also reports of a small supply gap in place brought on by the late season rains this spring. Some of the effects of the heat wave are still visible in the form of sun scald, fringe burn and occasional internal defects. Seeing decent supply and demand across the board.

QUALITY  SUPPLY 

Lemons & Limes



LEMONS - Lemons remain competitive as well in the bigger sizes, small fruit remains high and supplies remain tight. Seeing good quality and demand across the board. Expect pricing to rise weekly, fobs in mid \$30s. Larger sizes remain around \$20s.

LIMES – The lime markets are steady to slightly lower this week. Very competitive. Seeing good quality and good demand. Finally, out of the higher markets with FOBs \$16 and below.

QUALITY  SUPPLY 





MARKET OUTLOOK

MARKET ALERT

QUALITY  SUPPLY 

Onions



Size profile is struggling as more mediums flood the market, as much as 50%. JBO yellows in CA remain around \$18-19, whites around \$20 and reds around \$12. NM remains around \$22-24 on yellows, \$20-22 on whites and \$14 on reds—they are also finishing early. Demand is still outpacing supply, but its not getting worse. This market remains on high alert until next month, ID should start at the end of the month.

Onions, Green



QUALITY  SUPPLY 

The market is steady with steady demand this week. MX weather could start to be an issue with rains and heat causing crop damage there. Nothing new there though historically. Markets in high singles now.

Oranges



QUALITY  SUPPLY 

The market remains steady. Seeing good demand. Oranges are very promotable and competitive right now, with Valencia and navels rolling as well. Valencia stocks are dominated by 88-count and larger sizes. California quality is very good.

Pears



QUALITY  SUPPLY 

Bosc - the State should be cleaned up in the next 2 weeks. Anjou Pears - Good supplies through July. Red Anjou Pears - We should be able to make it through June - it will be close.

MARKET ALERT

QUALITY  SUPPLY 

Peppers, Bell



Prices are weak & volume is climbing in California's San Joaquin Valley. New crop quality is very good. Local production out of the East is ramping up as production moves North. The tight supplies on color peppers continues to put some pressure on green bells. **ALERT** Red and Yellow - Expect high prices for another week or two as the San Joaquin Valley season ramps up. All colors are tight. Quality will improve as more new crop stocks enter the market.

QUALITY  SUPPLY 

Peppers, Chili



Baja's chili pepper volume has been steady providing all varieties on a consistent basis. Domestic supplies have also started in CA where they expect to see more volume over the next few weeks. Quality is mostly good, but poblanos and Anaheims are pretty rough until new fields start. In the East, there's a few chilies left in GA, but most production has scattered to small local deals where growers pick and choose the varieties they plant.

QUALITY  SUPPLY 

Pineapples



We are hitting some supply gaps as we are in the summer months, which is normal for this time of year. Industry volume is limited and demand strong. Transport blockades lifted as President Alvarado authorized operative to act against groups blocking important highways. Two days later the President announced an agreement was reached and established a dialogue forum to deal exclusively with transport sector complaints.

MARKET OUTLOOK



Potatoes



QUALITY



SUPPLY



Potatoes are steady to slightly higher, quality is still of high concern and that won't go away until new crop in Aug/Sept. Most FOBs are sitting around \$15+ with smaller spuds around \$13. #2s started to show some life this week as well. Supply is diminishing as we get deeper into storage, expect prices to remain steady and slightly climb the next 8 weeks. **US growers planted 1,200 more acres to potatoes this year than they did in 2018.**

Squash



QUALITY



SUPPLY



More Eastern areas have joined the squash deal providing small to moderate volumes in many states. MI looks to become the next center of volume as more growers and fields come online. There's a hodge-podge of quality in the market, but zucchini is mostly good. Yellow squash has significantly more challenges with scarring and scuffing. The West has several areas in the squash business: Baja, Santa Maria, Fresno, Salinas and WA state. As in the East, zucchini quality is solid, but yellow is all over the board.



Strawberries



QUALITY



SUPPLY



The market is inching up. California production will continue to be focused in Salinas/ Watsonville and Santa Maria through the summer months. Quality is very good. Recent adverse weather conditions continue to stunt plant growth. This is causing uneven fruit size and maturity. Bruising and misshapen fruit may be present in finished packs. Prices are expected to remain at elevated levels through the month.

Tomatoes



QUALITY



SUPPLY



Round Tomatoes: With Quincy, South GA and SC wrapped up for the season, round tomato volume in the East has been on the light side. There is fruit showing up from regional programs in NC, AL, and TN but these areas aren't into seasonal volumes yet. Overall quality has improved in the East and volume should strengthen as more acreage comes into play. Baja and Eastern Mexico are the sources for vineripes in the West. All sizes are available but overall volume was a bit slim over the past week. Quality is varied by grower/farm, but there is nice fruit available. **Roma Tomatoes:** TN and NC growers have started romas. Look for availability to build as we move toward mid-month. Although Mexico's roma crossings were lighter last week, CA farms are fully in action, providing good volume. Early fruit has been small and there are a few quality issues but shippers are providing a nice finished product. **Grape Tomatoes:** Eastern grape tomato production has fully transitioned from Quincy/South GA and SC to VA, TN and other regional areas. In the West, several Baja growers have moved past older acreage which is improving quality. Availability was snug for the holiday week, but should be a little better over the next several days.

Watermelons



QUALITY



SUPPLY



Volume has predictably fallen off following the holiday, which puts it squarely in line with past years. With diminished volume on the market, prices appear to be starting to climb, as well. New regions like North Carolina, Indiana, Missouri and Alabama are now starting to report movement data with NC & MO also reporting prices starting a few days ago.



MARKET OUTLOOK

Red Cabbage -Alert Red Cabbage supplies continue to be limited. Most growers are reporting very low yields at the time of harvest. Quality is been reported as only fair at this time. Warmer weather is expected this weekend, this will hurt any chances of supplies to improve. Distributor will be held to six week loading averages. Contracts are escalated this week. Whole case and process red cabbage.

MARKET ALERT

Sweet Potatoes – Alert There is an industry wide national shortage of sweet potatoes. Most suppliers are completely dry until late summer/early fall with new crop. The hurricane affected many growers, as well as increased demands and heavy rains. Prices are up and will continue to rise, and supply just isn't there. Recommend to open spec across the board in this category. Prices continue to rise, supply continues to fall. **Suppliers expecting a full gap of 1-3 weeks depending, at the end of this month and first week of August.**

US tomato prices expected to go up following new tariffs

Florida growers have long worried about heavily subsidized tomato crops imported from Mexico being sold in the United States at substantially lower prices. This practice, known as dumping, puts local producers at a disadvantage due to their inability to compete with imported tomato prices. In March 2013, the U.S. Department of Commerce (USDOC) and producers/exporters of fresh tomatoes grown in Mexico signed an agreement to suspend antidumping investigations on the basis that Mexican growers agree to export their produce at or above the stipulated reference price. Despite these agreements, U.S. lawmakers and produce growers say that the deal has failed, as tomato sales in the U.S. continue to drop considerably. The Florida Tomato Exchange states that the market share of Mexican tomato companies rose from 32% to 54% between 1996 and 2017, while the market share of U.S. producers dropped from 65% to 40% during same period.

Maintaining market competition

In a bid to maintain market competition and protect domestic growers from unfair trading practices, the USDOC formally terminated the 2013 Suspension Agreement on Fresh Tomatoes from Mexico. As a result, the committee will resume anti-dumping investigations while imposing new tariffs on the import of Mexican-grown tomatoes. Following the termination of the Suspension Agreement, a 17.5% tariff on all imported Mexican tomatoes took effect on May 7, 2019. The tariff is expected to raise the minimum acceptable sale price of chilled or fresh tomatoes imported to the U.S. from 21.69 cents per pound to 31 cents per pound. This decision has, understandably, garnered polarizing reactions from stakeholders, with U.S. growers in favor of and U.S. importers against the termination.

<https://www.freshplaza.com/article/9125635/us-tomato-prices-expected-to-go-up-following-new-tariffs/>

Hurricane forming, Heat hitting California and Michigan

Starting this Thursday extreme high temps are expected to hit California, which could affect quality of many commodities. In the southern deserts where grapes are still being harvested, look for a high of 115 on Thursday and 118 on Friday. Saturday through next Tuesday will experience a high of 116. Low temps will remain extremely warm during these six days -- around 87. The San Joaquin Valley will also see warmer temps starting Thursday with highs to reach 106 by Saturday. These warmer temps will last through Tuesday, July 16. Low temps during this spell will be in the mid-70s. The Salinas Valley won't be able to escape the heat. The city of Soledad will see max temps well above 90 tomorrow through next Monday. The hottest day will be Saturday with a max temp of 100. Quality could be an issue with lettuce and other wet veg coming from this area. This kind of extreme heat is tough on plants as well as the fruit. We might see an increase of production over the next week or so but be careful of quality issues. It not only affects the fruit ready for harvest but can also be detrimental to the plant and future fruit growth. Could affect markets in the longer term. Might want to plan ahead this week when buying.

Tropical depression likely to form bringing heavy rain to Gulf Coast states - High temperatures return to Michigan early next week

<http://theproducenews.com/markets-and-trends/27051-hurricane-forming-heat-hitting-california-and-michigan>

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 and our Midweek Update released every Wednesday. Have a great week!