








WEEK 28: July 6 - July 12 , 2020

# MARKET OUTLOOK

 Strawberries Alert Spring Rains/Labor Issues	 Celery Alert Supply Gap	 Corn Alert Weather and Rain East Coast	 Oranges Alert Transition	 Cilantro Alert Heat and Rains in April	 Cantaloupe Alert Weather and Labor	 Honeydew Alert Weather and Labor	 Asparagus Alert Regional Transition	 Brussels Sprouts Alert Heat and Quality
 Romaine Lettuce Alert Quality Issues	 Green Beans Alert Regional Transition	<h2>MARKET ALERTS</h2>			 Chinese Garlic Alert Import and COVID Issues	 Bell Peppers Alert Growing Region Transition		

## OVERVIEW

Happy 4th of July! Summer is here and the heat is turning up which is putting a lot of pressure on different commodity groups. A lot of items are on alert heading into next week and will likely feel some market pressure as commodities deal with quality issues and lower yields at harvest.

Central Valley CA is hitting it's peak and is producing great numbers but is beginning to show some smaller yields due to heat. 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 we 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 partly cloudy days. No rain on the forecast.

Low 70s

Low 60s

Salinas, CA

Sunshine and partly cloudy days with no rain on the forecast.

Low 70s

Mid 50s

Lake Wales, FL

Thunderstorms all week.

Low 90s

Mid 70s

Watsonville, CA

Partly cloudy and sunny next week.

Low 70s

Low 50s

Alma, GA

Thunderstorms all week.

Low 90s

Low 70s

Ivanhoe, NC

Partly cloudy with thunderstorms mid and late week.

Upper 80s

Low 70s

## Regional Transportation Report

National Diesel Average: **\$2.430**(wk 27)

2019 : **\$3.042**(wk 27)

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 Idaho, Southern New Mexico, Colorado, Yakima Valley. Shortage in North and South Carolina.**

# Weekly Market Changes

## Asparagus

**ALERT**



**Quality: FAIR Supply: BAD**

Volumes on asparagus is currently limited but markets have come down slightly from last weeks spike. Currently there are three prominent growing regions: Peru/MX/US, and each is dealing with circumstances that are keeping volumes tight. Peru historically has lower volume in summer months, MX is dealing with major heat and lack of rain, while US crop out of Michigan is hampered by labor issues at pack houses due to COVID.

## 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 week, but avocado markets historically can become active in summer months.

## 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: FAIR**

**Blueberries**- Harvest has been good in Oregon and WA which has helped with numbers in the marketplace. Supply is leaning on OR/WA/CA and what can be harvested off the East Coast, which has been limited due to rain and thunderstorms.

**Raspberries**- MX and CA are still going, although MX is finishing up and CA is getting going. Overall, supply is sitting in a good place with good numbers out of MX and CA. Should continue to see volume increase throughout July.

**Blackberries**- Overall not as active as straws and blues but still feeling the affect of summer holiday pulls. There has been some supply out of CA, GA and alittle out of MX all allowing for supply to reach demand and keep things steady.

## Broccoli



**Quality: FAIR Supply: FAIR**

Broccoli Supplies have slightly improved this week while demand continues to be strong. Growers are having to deal with occasional pin rot and hollow core. Growers are reporting fair to good quality as this time.

## Brussels Sprouts

**ALERT**



**Quality: GOOD Supply: BAD**

Brussels Sprout supplies will be short this week; however, growers are expecting better supplies the following week. Growers are reporting quality to be good to excellent. Good demand for Brussels Sprouts at this time.

## Cantaloupe

**ALERT**



**Quality: FAIR Supply: BAD**

The domestic season has begun with a major obstacle. Sizing has leaned towards larger size leaving 12/15ct lopes very limited. Growers have battled very low yields due to early rains in the growing cycle and are currently challenged with a labor shortage leaving some fields unharvested. The labor shortage could potentially become an ongoing issue throughout the domestic deal.

# 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



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

Cauliflower supplies did improve this week. Growers are harvesting better yield numbers at this time. Growers are reporting fair to good quality. Good demand continues with Cauliflower for this week.

## Celery ALERT



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

Celery supplies will be short for this week. The current harvest is going through a small supply gap. Good to fair quality has been reported by multiple growers at this time. Additionally, there has been a higher demand for Celery this week.

## Cilantro ALERT



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

Supplies continue to be light with Cilantro for this week. Growers are expecting for better supplies next week. Good quality is been reported by multiple growers at this time. Good demand for Cilantro this week.

## Corn EXTREME ALERT



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

Similarly to last week, growers out of the East and West are reporting extremely tight supplies on corn. Production out of the West Coast isn't sufficient to cover demands. Price is not 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**

Supplies and costing is steady this week. Production is in transition to different growing areas right now but supply is still holding steady.

## Eggplant



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

Costing for eggplants came down this week. Good supplies and quality.

# 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**

We have made our way into domestic season and we are now seeing good volume in the open market. Price has come down as supply has picked up. We anticipate this to continue moving through July.

## Green Beans

**ALERT**



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

Beans are on high alert. Heavy rain in Georgia and the Midwest has effected the green bean crop causing delays in harvesting. The colder weather has also pushed back the start date for harvesting out of the Midwest. This is causing a gap during a transition period resulting in low availability of green beans. Product quality could also take a hit. This is expected to last for a few more weeks.

## Honeydew

**ALERT**



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

The domestic season has begun with a major obstacle. Sizing has leaned towards larger size leaving 6/8ct dews very limited. Growers have battled very low yields due to early rains in the growing cycle and are currently challenged with a labor shortage leaving some fields unharvested. The labor shortage could potentially become an ongoing issue throughout the domestic deal.

## Iceberg



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

Lettuce supplies continue to be steady for this week. The current harvest is coming from Salinas, CA and Santa Maria, CA. Growers are encountering some tip burn at the time of harvest. Growers are expecting for light supplies going into next week.

## Romaine Leaf

**ALERT**



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

Romaine supplies continue to be very short this week. Growers are hoping to see an improvement with supplies next week. Growers are experiencing lighter yields at the time of harvest due to quality. Some fringe burn and internal quality issues due to the warmer weather in Salinas CA.

## 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.

# Weekly Market Changes

## 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.



## Lemons

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

Lemons are reaching a period during the summer where overall volume in the marketplace goes down. We have seen a steady rise in the price of lemons as their region transitions. Currently we have had a \$5-7 FOB increase over the past three weeks.



## Limes

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

Still seeing good supply on product crossing the border. FOB's increased slightly over the past two weeks with an overall increase of about \$2-3/case.



## 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 have begun 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 Peppers** - Green Pepper pricing worked its way up last week and continued working up this week. Production is in transition to different growing areas right now. This is putting pressure on supplies and costing.

**Yellow and Red Peppers** - Elevated pricing on Color Peppers due to tighter than normal supplies this week. Production is in transition to different growing areas right now. This is putting pressure on supplies and costing.



# Weekly Market Changes

## 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.

## 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**



Prices worked up last week but came off this week. Production is in transition to different growing areas right now but has stabilized. Should see good volumes moving forward barring any weather related issues.

## Strawberries

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

**ALERT**



There has been a big turn in outlook for the summer months with Strawberries. Production numbers are limited due to weather in growing regions back in May. In addition, there are still some spotty labor issues and also some fields on their last legs providing processor quality berries at best. Watsonville has the best production numbers at this point but can't cover the demand coming out of holiday pulls this week. We anticipate limited, active markets for the next month.

## Tomatoes

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



Tomato market prices have stabilized this week and are expected to hold for a couple weeks.

## Watermelon

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



Overall supply has been stable and no quality issues detected as we move into the most important two weeks of the watermelon season. Supply is slightly down from what it historically is at but there is also slightly less demand with foodservice numbers down.

# Industry Report

## COVID-19 Ramps Up Desire for Increased Shipment Visibility

The Packer: July 2, 2020

The COVID-19 crisis has increased the desire for greater visibility into all of the fresh food supply chain.

That's according to Jeff Newman, vice president of transportation, logistics and chain visibility for Irvine, Calif.-based CalAmp. He said the pinched supply chains during the crisis have created a greater sense of urgency for real-time shipment and supply chain visibility.

CalAmp offers route optimization technology to help drivers in a variety of scenarios, such as navigating closure of truck stops, and provides real-time updates on efficient routing through loading and unloading locations. The company also offers tracking technology for equipment and sensors to monitor temperature of cargo.

During the early weeks of the COVID-19 crisis, Newman said the company's route optimization technology allowed drivers to adjust routes "on the fly."

"Some of our customers did a really good job of mapping where the supplies needed to be, where the available trucks were to get there, and what were the most optimal routes, which were not necessarily pre-programmed routes," he said.

Factors that influence route changes could be the closures of some rest stops, civil unrest, the availability of truck stops and other issues related to COVID-19 restrictions.

"So we went from a kind of a normal operating mode of these planned routes to a lot more dynamic in terms of conversations with the companies that own the goods, the shippers have the goods, and then the individual transportation companies into what was going on in real-time," he said.

The company ships 2.5 million to 3 million devices per year, he said, and information gathered with the systems can be presented in a "dashboard" format.

"You can see analytics on the route analytics, on the driver's performance and what's happening with the planned route versus where they're really located, the rules around that in terms what was supposed to happen and the action that can be taken," he said.

CalAmp can monitor cargo inside truck trailers down to the pallet level. For produce, the company is starting its first large scale deployment with a shipper that delivers to restaurants and other customers.

"We are instrumenting their totes and crates with Bluetooth data loggers so effectively allows the temperature be monitored every 15 minutes," he said.

That dovetails with the supplier needs for compliance to the Food Safety Modernization Act, he said. "Those data loggers can synchronize with either the cab or the trailer or units installed in the warehouses and the (distribution center) when that cargo comes in contact with it," the said.