



WEEK 35: August 23 - August 29, 2021

MARKET OUTLOOK

Regional Weather Update :

Oxnard, CA: Partly Cloudy skies with highs in the 70s with lows in the 60s.

Salinas, CA: Partly Cloudy with highs in the 70s and lows in the mid 50s.

Yuma, AZ: Sunny with highs ranging from 102° to 113° to lows in the mid 80s.

Immokalee, FL: 30 to 60 % chances of rain all week; highs in the 90s and lows in the mid 70s.

Idaho Falls, ID: Sunny with highs in the 80s and lows in the mid 40s.

Tropical Storm Grace

Grace was down sized to a Tropical storm while crossing above Yucatan Peninsula, but will strengthen again to a Hurricane as she passes through the Gulf of Mexico.

It is expected to cause considerable damage in the Veracruz area affecting pineapples, limes, oranges, and some mix veg items.

The storm might delay some crossing into Texas. As always we will keep you updated if there are any substantial damage to growing regions that could effect supply.

Transportation :

National Diesel Average : \$3.356 **Compared to Last Year:** \$2.43

Shortages : Seeing high freight rates, with **extreme** shortages remain in CO, DE, S. IL, MD, SE MO, E NC, & VA **slight** shortage in: CA, ID, MI, & C WI.

MARKET ALERT

Apples

Avocados

Brussel Sprouts

Cilantro

Honeydews

Mushrooms, Whites & Shitakes

Potatoes

Tomatoes: Grape & Cherry



MARKET OUTLOOK

MARKET ALERT

Apples



SUPPLY

FAIR

QUALITY

GOOD

Washington apple market will remain firm for the rest of this season. The tightest items are the Golden Delicious, Premium Honeycrisp, Gala, Red Delicious, and Granny Smith. The varieties that are the best value right now are the Fuji and Pink Lady apples. The import apples from Chile have been arriving into the United States for several months now with mostly Gala, Honeycrisp, Pink Lady, and Granny Smith. Even with these, the prices remained on the high side. The new WA crop of Gala apples has started in a very small way this week, the main harvest is still a couple of weeks away. It is too early to predict the size of the new crop but the impact of the heat wave in Washington will certainly be a negative on the crop.

Asparagus



SUPPLY

FAIR

QUALITY

FAIR

Central Mexico continues to ship good volume. Market on standard and medium is continuing to trend lower while other sizes are seeing higher FOBs. Volume from Peru continues to climb as they near peak season. The market should get better in the next few weeks as Central Mexico's harvest ends and moves to the Baja region.

MARKET ALERT

Avocados



SUPPLY

FAIR

QUALITY

GOOD

Demand is still exceeding supply and field pricing continues to rise. Volumes out of Mexico continue to be very light with the size curve causing the biggest concerns. There is no big fruit being harvested – 40s and larger are practically non-existent. 48s and 60s continue to be light and in high demand. 70s and 84s are the majority of the harvest, but with overall volumes being so light the price point is ticking up on small fruit. #2s have dropped to less than 2% of the harvest, with extremely limited availability on 48# 2s and larger. Mexico is projected to harvest 7.5 MIL lb. more than last week. The industry is still below the 55 MIL lb. mark – which is not enough, and demand for fruit in the field is high.

Bananas



SUPPLY

GOOD

QUALITY

GOOD

Banana quality and availability are good as many growing regions have recovered from last years late hurricanes.

Berries



SUPPLY

FAIR

QUALITY

FAIR

Blackberries : Prices for Blackberries are trending down this week. Supplies are improving out of Oregon and California. Look for good supplies over the next few weeks.

Blueberries : Prices for Blueberries are trending up this week. Production out of British Columbia, Oregon, Washington and New Jersey is declining. Mexico is expected to start later this week or next week.

Raspberries : Prices for Raspberries are trending down this week. Supplies are improving along with quality. Look for improved supplies over the next several week.



MARKET OUTLOOK

Beans, Green



SUPPLY

FAIR

QUALITY

FAIR

Due to rain we are seeing delays in harvesting and quality issues in the Northeast. Out of the west, we see the supply remaining steady out of Fresno and other local districts. There is also some volume shipping out of Baja. Overall quality is fair.

Broccoli



SUPPLY

GOOD

QUALITY

FAIR

Supplies continue to improve this week. Market pricing is better this week, demand is lower this week. Quality is better, there is some occasional hollow core. Supplies will continue to be steady for a few weeks. (F.O.B pricing for this week \$9.05 - \$10.05)

MARKET ALERT

Brussels Sprouts



SUPPLY

FAIR

QUALITY

FAIR

Supplies continue to be very limited this week. Demand continues to be good, growers are seeing some quality issues. Supplies will continue to be very limited this week. (F.O.B pricing for this week \$36.90 - \$37.05)

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 will continue to be very good this week. Demand has decreased this week. Overall quality will be good. Supplies are expected to be steady the next few weeks. (F.O.B pricing for this week \$9.48 - \$10.00)

Cantaloupes



SUPPLY

FAIR

QUALITY

GOOD

The cantaloupe market has continued at higher pricing as the overall supply of melons continues at lower levels as compared to past seasons. Production has been primarily 9s followed by a spike in 12s this week as new fields were producing slightly smaller melons than we had been experiencing. This trend should continue at least over the next 7-10 days.



MARKET OUTLOOK

<u>Celery</u> 	<u>SUPPLY</u> GOOD <u>QUALITY</u> GOOD	Supplies continue to be very good this week. Demand continues to be good. Supplies are expected to remain steady for a few weeks. (F.O.B pricing for this week \$8.75 - \$9.00)
<u>Corn</u> 	<u>SUPPLY</u> GOOD <u>QUALITY</u> GOOD	Prices for Corn are stable this week. At the same time expect supply and pricing pressure as we get closer to the labor day holiday. Growers are recommending that orders be submitted early and with some extra loading lead time due to the holiday rush.
<u>Cucumbers</u> 	<u>SUPPLY</u> GOOD <u>QUALITY</u> FAIR	Prices for Cucumbers are trending up this week. Tighter supplies are putting pressure on pricing. Tropical storm related weather out of the East is impacting quality and costing. The supply situation out of the West is improving in regards to quality and availability.
<u>Eggplant</u> 	<u>SUPPLY</u> GOOD <u>QUALITY</u> GOOD	Prices for Eggplants are trending down this week. Production is coming out of various areas of the country. Growers are expecting good supplies for the next few weeks. They're also reporting overall good quality.
<u>Grapes</u> 	<u>SUPPLY</u> GOOD <u>QUALITY</u> GOOD	We are anticipating a positive change as it relates to supply and demand. Temperatures will start to be more manageable, as we will see low 90s, with 60-degree overnights. This will allow crews to put in full days and fruit to color up along with an upward tick in volume. Green seedless markets are showing opportunities to promote, along with heavy volume. This should be the case soon on red seedless also towards the end of August.
Honeydews 	MARKET ALERT <u>SUPPLY</u> FAIR <u>QUALITY</u> FAIR	Honeydew production continues to be very limited especially on smaller sizes (6/8s). What is being harvested has been mostly 5/5Js which seems to be consistent with other growers as well. Markets remain strong with the primary reason focusing on a large drop in honeydew production over the past three years.

MARKET OUTLOOK



	<u>SUPPLY</u>
<u>Iceberg</u>	<u>GOOD</u>
	<u>FAIR</u>

Romaine: Supplies have improved this week. Demand is steady, overall quality has improved. Weights have also improved, better weights are expected this week. Supplies should be steady for a few weeks. (F.O.B pricing for this week \$10.30- \$11.30)

	<u>SUPPLY</u>
<u>Leaf</u>	<u>GOOD</u>
	<u>FAIR</u>

Romaine: Supplies will continue to light this week. Demand is steady this week, overall quality is only fair at this time. Growers are encountering some quality issues at field level. (F.O.B pricing for this week \$11.85 - \$12.20) Hearts (\$14.51 - \$16.05)

Green & Red Leaf Lettuce: Supplies will be steady for next week. Demand has improved this week, quality is reported as good this week. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$7.30 - \$8.05)

Tender Leaf: Supplies continue to be excellent this week. Demand is good on tender leaf, quality is very good. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$4.65 - \$4.75)

On the Radar

	<u>SUPPLY</u>
<u>Lemons</u>	<u>FAIR</u>
<u>& Limes</u>	<u>FAIR</u>
	<u>FAIR</u>

LIMES: The market is expected to remain on a downward trajectory, however, Tropical Storm Grace may temporarily stabilize pricing next week due to potential decreased availability (we call this a "rain market"). We will have a better idea of market conditions after the storm touches down in Mexico. At this time, expect supplies to be less prevalent next week.

LEMONS: California lemon crop is mainly choice fruit, with very little fancy. Quality is getting compromised as temperatures have reached three digits over the past few weeks. Chilean lemons are in good supply mainly on 140s and 165s. Large lemons more to be tighter a few more days.

MARKET ALERT

	<u>SUPPLY</u>
<u>Mushrooms</u>	<u>FAIR</u>
	<u>GOOD</u>

Shitake Mushrooms: Due to uncontrollable rise in cost of imported Shitake logs from China. Shitake mushrooms supplies will be limited, prices will be changing almost weekly. Long delays to unload shipments at the ports have caused some interruptions with supplies. This is caused by labor shortage and limited freight availability.

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.

	<u>SUPPLY</u>
<u>Onions</u>	<u>GOOD</u>
	<u>GOOD</u>

Will be back in OR next week, prices stable for the most part in CA and ID/OR. Good quality, good demand. Etc. steady category



MARKET OUTLOOK

Onions, Green



SUPPLY

GOOD

QUALITY

GOOD

Supplies continue to be steady this week. Demand is steady, Quality remains good supplies should remain steady for a few weeks. (F.O.B pricing for this week \$10.45 - \$10.95)

Oranges



SUPPLY

FAIR

QUALITY

FAIR

The Valencia market is very active, and inventory will be down as schools ramp up this week across the country. We expect the market to tighten causing a “demand exceeds supply” situation before the end of the week on 113ct and smaller. Markets will continue to trend upward until October. Most growers are limited in labor and harvesting/ packing hours due to the shortages in the labor force and the extreme heat. Causing fruit to stay on the trees longer and sizing-up. With Schools and program business taking all the small sizes available the leave very little for open the market business

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 Peppers are trending down this week. Red Peppers are trending up and Yellow Peppers are stable. Good supplies around the nation. Looking for stable prices for at least the next couple week.

Peppers, Chili



SUPPLY

GOOD

QUALITY

GOOD

Prices for Chili Peppers are trending down this week. Supplies are good at this time. Quality can be hit or miss based on tropical storm associated rains out of the East.

Pineapples



SUPPLY

FAIR

QUALITY

GOOD

Pineapple volume continues to be lower than anticipated due to the flowering process. There are no shortages expected if you are able to switch between sizes. The quality is still good. We will start to see more availability in the next couple of weeks.



MARKET OUTLOOK

MARKET ALERT

Potatoes



SUPPLY

FAIR

QUALITY

FAIR

Prices continue to climb – growers are still gapping, not finding any sizing in new harvest which is delaying orders. Fear of being short for the upcoming season is the talk of the town but won't know for sure for another month.

FOBs as high as \$28 for bigger stuff and small spuds have started creeping between \$12-16 as well. #2s took a jump on big stuff. Keep an eye on quality as well.

Squash



SUPPLY

GOOD

QUALITY

FAIR

Prices for Yellow Squash are stable this week. Prices for Green Squash are trending down. Supplies and quality have been impacted by tropical storm Fred in the East. Product out the West has mostly been impacted by heat.

Strawberries



SUPPLY

FAIR

QUALITY

FAIR

Prices for Strawberries are trending slightly down this week. Production out of Salinas and Watsonville is trending down. Growers are reporting challenges with quality too. Santa Maria's fall crop is in the beginning stages of production. Growers are reporting labor shortages. That's putting some pressure on production too.

MARKET ALERT

Tomatoes



SUPPLY

FAIR

QUALITY

FAIR

Prices for Tomatoes are trending up this week. The market is tightening up due to tropical Storm Fred's associated weather. Expected supplies and prices to be impacted for the next several week.

Watermelons



SUPPLY

GOOD

QUALITY

GOOD

Prices for Seedless Watermelons are trending down this week. Prices for Seedless are trending up. At the same time, expect supply and pricing pressure as we get closer to the labor day holiday. Growers are recommending that orders be submitted early due to the holiday volumes and the tight trucking situation.





MARKET OUTLOOK

Marketers optimistic about future of organic produce

By **TOM KARST** August 17, 2021

The long, jolting journey that has been the COVID-19 pandemic is not ideal for organic marketers, but it isn't disaster either.

A handful of produce marketers responding to a survey from *The Packer* in early August said they expect organic sales to grow between zero and 10% this year, with a similar range of growth expectations predicted for 2022.

A report on retail sales from the Organic Produce Network said organic produce dollars during the April through June period increased by 4.1% compared with the same period a year ago. That didn't match the rapid growth of 2020 but was still well above the performance of conventional produce.

Bullish on organic

The long-term strength of the organic category will remain in place, many marketers think.

Those surveyed by *The Packer* were asked to reflect on the growth of the category in the past five years and to project what it may look like in five years.

Five years ago, organic produce was harder to come by and far more expensive, said Chuck Sinks, president of sales and marketing for Sage Fruit Co., Yakima, Wash.

Sage Organics Pouch (Gala), Photo courtesy Sage Fruit

"With the demand being as high as it is, produce vendors have made conscious efforts to accommodate consumers," he said. "That being said, we have also found better ways to grow, store and pack organic product and are able to offer a wider variety throughout the entire year. We'll continue to see that trend for the next five years – we'll only get better at what we're producing."

Competition will get tougher, one supplier said.

"We see more competition from bigger and bigger companies, and I suspect that will continue to push out smaller growers," said Iris Montaño-Madrigal, marketing manager for Covilli Brand Organics, Nogales, Ariz.

Organic produce sales will continue to grow in five years, though likely at a slower pace, said Ray Wowryk, director of business development for Nature Fresh Farms, Leamington, Ontario.

www.thepacker.com/news/organic/marketers-optimistic-about-future-organic-produce?

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