



WEEK 36: August 31 - September 6, 2020

# MARKET OUTLOOK



Romaine Lettuce

.....  
**Alert**  
 .....

Quality Issues



Chinese Garlic

.....  
**Alert**  
 .....

Import and COVID Issues



Pineapple

.....  
**Alert**  
 .....

Weather



Strawberries

.....  
**Alert**  
 .....

Weather and Fires

## MARKET ALERTS



## OVERVIEW

California is working through some major issues right now at a time when there is heavy reliance on CA production in the produce supply chain. Temperatures have come down but are still slightly above ideal conditions. There are currently still dozens of fires throughout the state, many of which are beginning to slow down but still are impacting the supply chain. Truck costs coming out of CA have spiked as the fires have impacted road conditions and availability of trucks. Additionally, the fires have had a multitude of affects on the growing conditions, primarily limiting labor hours due to unsafe air and harvesting conditions.

The temperatures have cooled off some, but the fires continue to spread with the 10-15 mph gusts throughout the day. Growers are doing their part to protect their staff by getting crews out for harvest earlier to avoid the harsh conditions. Crews are working to avoid ash and ensure quality is checked and taken care of. Additional time at harvest and pack will lead to slightly longer load times, which means orders will need to be placed earlier if possible and also allow for additional hours of transport service. The list of items on Alert have continued to come down as weather has helped out growing conditions. New crop potatoes and onions have begun out of the ID and OR growing areas bringing both of those items to a stable point.

To follow more closely the details and containment info on the CA wildfires, please visit the following website:

# 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.

Mid 70s

Upper 50s

Santa Maria, CA

Sunny and partly cloudy.

Upper 70s

Mid 50s

Watsonville, CA

Partly cloudy and sunny next week.

Mid 70s

Mid 50s

Knoxville, TN

Partly cloudy with thunderstorms late week.

Mid 80s

Low 70s

Idaho Falls, ID

Sunny and partly cloudy.

Mid 80s

Mid 40s

## Regional Transportation Report

National Diesel Average: **\$2.426**(wk 35)

2019 : **\$2.983**(wk 35)

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.

**CA trucks are higher this week due to high demand and CA wildfire interruptions.**

**Regions with shortages:**

**Slight shortage in San Joaquin Valley, Salinas/Watsonville, Southern California, Southern New Mexico, Minnesota and Yakima Valley. Shortage in Delaware, Indiana, Illinois and Missouri.**

# Weekly Market Changes

## Asparagus



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

Volume on asparagus has improved and markets have steadied out. Demand and supply are balanced and expectation is to have solid numbers throughout the next couple months.

## Avocados



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

Overall the market is stable but we are seeing retail driving the market. Currently California, PE, and MX product have been in good supply. So far there has been sufficient quantity and quality of product crossing the border.

## 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**- Solid numbers and quality continue to pour in from the Pacific North West and BC. Currently the most available berry and should continue to have strong availability into September. Other berries are being more significantly impacted by CA wildfires so this could open up demand on blues.

**Raspberries**- Overall supply is down with numbers being limited out of CA and also being the primary producer at this time. MX supply is beginning but the harsh CA weather and wildfires are putting alot of pressure on CA supply and MX cannot help enough to fill the void.

**Blackberries**- Similar to Rasp, quality and supply have been impacted by CA heat and fires. MX will help out in the coming weeks but anticipate some raised markets and potential quality issues as growers work through the transition back to MX.

## Broccoli



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

Broccoli Supplies are moderate at this time. Growers are reporting fair to good yields at the time of harvest. Growers are reporting fair quality at this time. Supplies are expected to remain steady going into next week.

## Brussels Sprouts



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

Brussels Sprout supplies are very good this week. Growers are reporting good yields at the time of harvest. Growers are reporting fair to good quality at this time. Growers are working through some quality issues caused by a recent heat wave.

## Cantaloupe



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

Coming out of a limited marketplace due to sizing issues, the supply has now picked back up and began to balance out. Fortunately yields have picked back up and the loupe market has begun to catch up with Summer demand. Sizing has been yielding stronger on larger sizes, 9/9J.

# 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:** GOOD

Cauliflower supplies are stable this week. Growers are reporting good yields at the time of the harvest. Growers are reporting fair quality and some yellowing on Cauliflower. Supplies are expected to remain steady going into next week.

## Celery



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

Celery supplies are good this week. Growers are reporting good yields at the time of harvest. Growers are reporting good quality and good weights at this time. Supplies are expected to remain steady for a few weeks.

## Cilantro



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

Cilantro supplies are good this week. Growers are expecting steady supplies the next few weeks. Good quality is been reported by multiple growers at this time. Demand for Cilantro has decreased this week.

## Corn ALERT



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

Heat in CA will put pressure on Western Corn production and quality. Growers in the West are dealing with insect challenges and reduced harvesting times due to the hotter than usual weather. Bi-Color and Yellow corn is extremely tight. Corn out of the East remains the best value at this time but the market is facing a slight upward pricing bias. Various local production areas all around the Eastern part of the USA are in full swing. Growers are expecting good supplies for the upcoming Labor Day holiday. Rain will continue to be a factor with challenges to production out of the East and West.

## Cucumbers



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

Prices for Hot House grown product came off this week while prices for slicing cucumbers trended up this week. Growers are still reporting some quality challenges due to rains & heat.

## Eggplant



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

Prices for Eggplants had a slight upward bias this week. Heat and recent rains is a factor on supplies.

# 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 August.

## Green Beans



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

Green Beans are have been steady for the past few weeks and do not foresee any immediate issues with supply or quality.

## Honeydew



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

Coming out of a limited marketplace due to sizing issues, the supply has now picked back up and began to balance out. Fortunately yields have picked back up and the honeydew market has begun to catch up with Summer demand. Sizing has been yielding stronger on larger sizes, 5/5J.

## Iceberg



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

Lettuce supplies are have improves this week. Growers are reporting better yields at the time of harvest. Growers are reporting fair quality with some fringe burn on the outer leaves. Supplies are expected to remain steady for a few weeks.

## Romaine Leaf

**ALERT**



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

Romaine supplies continue to be very light for this week. Growers are reporting yields slightly improving. Growers are reporting fair quality with fringe burn on the outer leaves. Supplies are expected to remain steady going into 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.

# 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: **FAIR** Supply: **GOOD**

Currently working with CA and import Chilean/Argentina lemons. Because of the heavier winds in the CA region, a lot of choice product with slight scarring comes out of that region. The import fruit is better condition but also is tending towards larger sizes, 115/140ct. No supply gaps foreseen in the upcoming month.



## Limes

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

Limes spike for a few weeks but have since stabilized. Markets are still slightly up and will likely hover on the higher end for a couple weeks and they make their way back level.



## Onions

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

Markets have been steady over the past few weeks as we have made our way back to new crop out of the OR and ID markets. Based on the current trajectory, we do not anticipate any significant issues in the coming weeks.



## 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: **FAIR**

There is currently a mixture of Valencia and Navel fruit in the marketplace. Domestic Vals are a summer crop and often tend to a smaller fruit but this year are sizing up to larger sizes and leaving the 113/138 market more limited. Chilean import Navels are seeing larger fruit as well as most are 88ct or larger. Import fruit will continue till Oct. The market is also being pushed up some with USDA food boxes grabbing a large chunk of open market supply.



## Peppers, Bell

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

**Green Peppers** - Green Pepper pricing trended up this week. This was mostly due to weather related challenges. Supplies are picking up as local production around the country come on line. At the same time, growers are reporting some quality challenges associated with weather.

**Yellow and Red Peppers** - Red and Yellow peppers continue to be tight. Pricing are trending up this week. Supplies are tight due to heat out of the West and Rains in the East. Be on the lookout for quality issues for product during the next few weeks.



# Weekly Market Changes

## Pineapple

**ALERT**



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

Volumes for the next few weeks are going to be very low. Weather has been the major causation as major rains have followed with hot high sun. This has caused off the chart brix level and bent crowns. Weather conditions like this can cause misshaped crowns and puts pressure on lower yields.

## Potatoes



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

The potato market has come back down as we have made the transition to OR and ID new crop. Supply is good and quality is back to solid condition. With new crop availability, there should not be any major issues moving through September.

## Summer Squash

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



Pricing for Yellow Squash out of the East had a slight upward bias this week. Prices for Green Squash trended down this week. Growers are reporting possible quality challenges for product out of the East due to rain & winds. Unusually high temperatures in the West is hampering production too.

## Strawberries

**ALERT**



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

The strawberry market was looking to recover but has now taken a turn back towards limited and potential for quality issues such as bruising. We had extreme heat conditions over the past week in CA mixed with scattered wildfires which has now made for an upward swinging market. Growers are doing what they can to avoid crew members being in the fields during harsh weather and bad air quality. We can anticipate tough conditions for the remainder of August but hopefully will ease up into September. Weather is looking favorable next week in growing regions, so we should have a slight drop in markets as conditions try to steady out.

## Tomatoes

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



Prices for Eastern tomatoes trended down slightly this week. Lots of production from local and regional growers is helping to keep prices in check at this time. Prices for tomatoes imported from Mexico Growers & out of California remained steady this week. Heat and weather is impacting tomatoes. Quality continues to be a challenge.

## Watermelon

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



Overall supply has been stable and no quality issues detected. Supply is slightly down from from previous weeks but is about in line with historical patterns.

# Industry Report

## Consumer Reports Releases Produce Ratings Based on Pesticide Residue

The Packer: August 27, 2020



**Your Guide to the Produce Aisle**

Produce items are listed according to their U.S.-grown, nonorganic rating, except for bananas, which are only imported. Canned and frozen versions are listed below the fresh versions, even if they have a different rating. When deciding on the fruits and vegetables to buy, CR recommends those rated Excellent, Very Good, or Good. (Note: Serving sizes are approximate.)

<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>	<b>Data not available</b>
More than 10 servings per day	More than 3, to 10 servings	More than 1, to 3 servings	More than 1/2, to 1 serving	1/2 serving or less	Data not available

Please visit the following website for additional information on the list discussed in the article below:

<https://www.consumerreports.org/pesticides-in-food/stop-eating-pesticides/>

"Consumer Reports has published a list that rates dozens of fresh produce items based on pesticide residue.

The ratings use the same Environmental Protection Agency reports that the Environmental Working Group uses for its annual "Dirty Dozen" and "Clean 15" lists.

The EPA's reports show that pesticide residue levels on more than 99% of produce samples tested are well below allowed limits, and on many samples there is no detectable pesticide residue. Consumer Reports contends the research that supports EPA limits is inadequate and that limits are too high.

The new Consumer Reports ratings "reflect the number of servings of a particular fruit or vegetable a person can eat per day over a lifetime before the pesticides pose potential harm," the organization wrote in its announcement of the ratings.

Consumer Reports categorizes 35 fresh produce items, and some fruits and vegetables in other forms, as either "Excellent" (defined as OK for more than 10 servings per day for a lifetime), "Very Good" (3-10), "Good" (1-3), "Fair" (1/2-1) or "Poor" (1/2 or less).

Thirty-one of 49 conventional fruits and vegetables, including forms other than fresh, rated "Good" or better, "but for the 18 non-organic fruits and vegetables with a 'Fair' or 'Poor' rating, CR's experts say everyone, especially pregnant women, infants and young children, should try to eat the organic versions," Consumer Reports wrote.

"If you can't find them at a price you can afford, choose a higher-rated similar alternative, such as broccoli instead of green beans. Still, if that's not possible, occasionally eating a low-rated fruit or vegetable doesn't pose a serious health risk," the organization wrote.

The Alliance for Food and Farming, a produce industry-led organization that educates consumers on the safety of fresh fruits and vegetables, has asserted that the Environmental Working Group's "Dirty Dozen" and "Clean 15" lists are harmful because they disparage fruits and vegetables produced to food safety standards and create confusion among consumers, many of whom already aren't eating nearly as much produce as medical professionals recommend.

# Industry Report

## Consumer Reports Releases Produce Ratings Based on Pesticide Residue

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The alliance expressed the same sentiment about the new Consumer Reports ratings.

While Consumer Reports acknowledged that people need to eat more, not fewer, fruits and vegetables, it recommended organic and advised people to avoid certain conventional produce items based on its ratings.

Conventional produce rated “Poor” by the organization included imported summer squash, domestic and imported green beans, domestic potatoes, domestic and imported spinach (and domestic organic spinach), imported strawberries, domestic and imported cherries, and domestic and imported peaches.

“Consumers have yet another guide or list to further confuse them when shopping for fruits and vegetables,” the Alliance for Food and Farming wrote in a news release. “Despite government programs consistently showing that 99.8% of foods sampled have residues well below (EPA) safety standards and almost 50% of those foods have no detectable residues at all, consumers continue to receive inaccurate and conflicting advice on what to eat by certain groups who strive to promote one production method over another.”

The Alliance for Food and Farming also argues that, with pesticide residue as the sole focus of Consumer Reports’ advice to consumers regarding fresh produce, the extensive nutritional benefits of fruits and vegetables are severely undersold.

“One peer-reviewed study found that 20,000 cancer cases could be prevented annually if half of Americans increased their consumption of fruits and vegetables by a single serving each day,” AFF wrote in the release. “Or (take for example) the recent study from Tufts University which determined that prescriptions for healthy foods could save more than \$100 billion in healthcare costs.

“Somehow the decades of nutritional studies which show that a diet rich in organic and conventional fruits and vegetables leads to better health and a longer life are rarely mentioned or given only cursory attention (by Consumer Reports),” Alliance for Food and Farming wrote.

The organization noted that another peer-reviewed study found that messaging around pesticide residue and produce is especially damaging for low-income consumers, who reported that such messages make them less likely to purchase any fruits and vegetables.”