



MARKET OUTLOOK

July 13, 2018

WEATHER UPDATE

Salinas - Sunny to partly cloudy for the upcoming week with highs in the 70s and lows in the 50s. **Oxnard** - Mostly sunny with highs in the 70s and lows in the 60s. **Mexico (Culiacan)**- Partly cloudy with thunderstorms; highs in the 90s and lows in the 70s for the next week.

Florida, Southern— Storms and clouds fill the forecast with highs around 90 and lows in the 70s. **Idaho** - Mostly sunny for the upcoming week with some wind; highs in the 90s and lows in the 50s.

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TRANSPORTATION

The National Diesel Average has been recorded at \$3.243 up \$0.007 a gal from last week and up **\$0.778** 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. **Remember Rail is an option!** 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 pretty tight in NC & NM with a slight shortage across the rest of the country.



Lemons

Oranges

Corn

Asparagus

Brussels Sprouts

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Apples



Apple supplies remaining up 11% or so compared to last year (19 million remaining, compared to 17 million remaining last year.. Red delicious supplies are down substantially (-4 million cases), granny supplies are up substantially (+4.5 million cases). Movement overall has been below target, mostly due to the focus shifting from apples to summer fruits, and on the packing side to packing cherries. We anticipate carrying red delicious, granny, fuji, gala and honeycrisp to new crop (no gap).



Asparagus



The asparagus volumes are still very limited out of Mexico and Peru is experiencing very cold weather. Market is expected to continue this way for another week.



Mexico – Old crop is coming to an end as new crop is expected to start hitting in the next couple of weeks. There are some reports that suggest that the transition won't be done 100% until August, but we will keep an eye on this. The volume has shrunk, which is leading many shippers to substitute California avocados and a little bit of Peru avocados. With the new crop traditionally being smaller, this will continue to happen for a while. Sizing is favoring the 48ct. and #2's. 60ct. are extremely tight right now with substitutions being the normal. **California** – Quality has remained good as volume will start tapering down for California avocados. The recent survey is showing around a 50-million-pound drop in expected volume for the year. Sizing is peaking at 48ct. and 60ct. **Peru** – Avocados have been reported as a good quality. Volume will start to taper off in the next couple of weeks. Sizing is peaking at 48ct. with 60ct. being harder to come by.

Avocados



Pretty much a repeat of last week: Banana volumes are expected to be sufficient with high quality fruit coming into the market.

Bananas



Berries



Blueberries: Availability steady. Good production out of the Eastern growing areas; Michigan and New Jersey. Pricing steady to lower for next week. Oregon, and British Columbia ramping up with good quality. Good promotional time for Blueberries! **Blackberries:** **ON RADAR**--Blackberries continue to be short in supplies. Demand exceeds supplies. Pre-booking highly advised a week before loading. Day of loading orders harder to supply. **Raspberries:** **ON RADAR**--Raspberries continue to be tight. Quality is good. Demand exceeds supplies. Pre-booking highly advised!





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Broccoli



Supplies are steady this week. The demand is good and the market is holding steady. **Central Mexico:** Supplies are light this week due to heavy rains, demand is good and the market is steady.

Brussels Sprouts



Oxnard has some product, but are not able to cover the demand of all the distributors until Salinas starts. Next week we should start to see the supply increase as we enter Salinas and hoping the costs will get back in line, as demand is stronger than the supply.

Cauliflower



Supplies continue to be heavy, and demand is moderate.

Cantaloupes



All Westside growers are in production currently. Strong volume is expected through most of the month of July with sizing being predominantly larger fruit but a healthy percentage of 12s and smaller. Initial quality has been outstanding with exceptional brix levels (mostly 12-15 % with some as high as 16-18%).

Carrots



Overall market is somewhat limited as California is the only growing region currently. Our yields and quality are solid and should remain that way. Colorado and Canada should be starting soon which will increase the overall supply in the market. Once they will start shipping product we will have a better idea of what their crop looks like and what overall market conditions will be.

Celery



Supplies are steady this week and next week. Quality is good and getting better in Salinas. The Final Pack looks really nice. We expect sizing to be heavier to the larger sizes all week in Salinas. It does sound like there will be lighter numbers for the industry next week.

Corn



Georgia is finished and we are now transitioning into Michigan, New York and Virginia. Most of what's available is bi-color but we should see yellow in the next 10-14 days.

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Cucumbers



East – Cukes are very active out east. Heat in most areas (excluding NJ) has taken a toll on the crop. More fields in the Midwest are coming on board this week which should give some relief. FOBs are moving upward a few dollars and quality has declined. West– FOBs push up a few dollars with light supplies coming from the west. However, demand has been fairly light as well as the northwest bringing local volume to the mix. This is helping to keep prices from going too high. Supply is expected to improve in the next week.

Eggplant



East– Georgia and North Carolina are the major players with solid numbers available. Quality is nice and FOBs remain low. West– Great supply coming from both Bakersfield and Fresno are keeping FOBs steady. Quality is good from both, but Fresno has a slight upper hand.

Grapes



This should be the last week for MX grapes. Arvin is harvesting Flames, Sugraones and Summer Royals this week with the production expected to pick up next week. Mexican quality can be hit or miss this late in the season with heat becoming an issue.

Green Beans



East– Supply is still slightly limited as more fields come on board slowly. Weather is going to be the deciding factor how things shake out. FOBs remain high and quality is mostly good. West– Despite many regions harvesting, there is still only limited and sporadic supply. FOBs remain high, but quality is excellent.

Herbs



Seeing good quality and supply across the board.

Honeydews



Domestic honeydew production is now in full swing with all growers as well. Quality of the dews has been clean with good brix levels mostly in the 11-13% range.



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Iceberg



All iceberg is harvest lighter weights due to the cool temperatures, which is producing lower volumes. Quality and condition is extremely good; we are seeing great color, texture of the product and larger heads. The demand is strong, there is limited to no market product available, shippers are covering the distributors/programs that have been with them on contract for 52 weeks. Product is not escalated above trigger but might tip the scale by next week. We are seeing great weights in the low 40 lbs.

Kale



Kale supplies remain abundant with little issues. The market is steady. Quality is good with minimal yellowing, little dehydration, and dark green color.

Leaf



Romaine / Romaine Hearts – We are seeing low prices on the products, as the suppliers continue to promote the romaine as safe in the industry, even monthly later.. All Romaine is being produced in California, excellent quality and supply. We are seeing weights of 36-38 lbs. on the 24 ct and 22-25 on the 12/3 and 30-32 on 48ct. Green Leaf: Supplies are exceeding demand, which is at a moderate cost, we are seeing case weights of 24-26 lbs. The quality is good, occasional fringe burn. Red Leaf: Prices have stabilized; supplies are adequate. Demand is average. Quality is very good, but there are reports of occasional blistering and peeling.

Tender Leaf



Arugula: Product quality/supply is good. Cilantro: Supplies are good but quality is fair due to recent cold weather and rains. Kale Blends: Quality and supplies are good on kale. Parsley: Parsley quality is fair and supplies are good. Spinach: Product quality is fair due to sizing issues with the recent warm weather and high winds. Spring Mix: Supplies and quality are good.

Lemons & Limes



Lemon – Alert- Demand is far exceeding supply. With the domestic crop finishing early and imports just beginning to arrive, the gaps in supply are very challenging. At the same time, the imported crop is smaller than expected on all sizes. All these factors are contributing to the shortages currently being experienced. These challenges are expected to continue at least through October. Prices continue to increase, with demand and supply so tight this price trend is expected to continue. Limes – Market is stable at the moment and looks to continue this stability for at least a couple more weeks. Demand is strong and supplies are good. Fruit is peaking on the larger 115 and 150's with smaller fruit a little tighter. Overall quality of fruit is good.



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Onions



Reds have decreased in availability which has caused the price to increase dramatically the last couple of weeks. In some areas, Prices have increased \$2-\$3 for a 25# bag of Reds in a single day. Yellows are steady around \$6.



MARKET ALERT

Oranges



Oranges continue to be an active market. There is virtually no small oranges to purchased. Even the Valencia crop is peaking on the larger 88's and 72's. The Valencia crop has stabilized market pricing this week, however, this crop is also light and looks to be a challenge through the summer. Quality of fruit is good. This will be a very active market all summer.



Pears



D'anjou pears are peaking on 90's and larger. Moderate supplies on 100/110's has the market steady. 120s and smaller are light with a firm market. Bosc pears have a steady market with supplies winding down for the season. Red pears are tight but should last till May. Quality is good on all pears.



Peppers, Bell



Greens—East - Markets are active as we move through another local season crop transition. Volume is expected to pick up in the next few weeks. Quality overall is good, but there have been some early reports of conditional defects from hot temps. West- Bakersfield will be wrapping up in the next week or so, driving FOBs up just slightly. Stockton and coastal CA are expected to begin later this month. Quality is mostly good, but some heat related issues are present. Red production is steady with good quality.



Peppers, Jalapenos



East- Many local programs have begun, providing great supply to the region. FOBs are steady with great quality available. West- CA & MX are both going through a transition period, with sourcing fragmented and quality sporadic. This transition is winding down, so look for things to improve over the next 7 days. FOBs are easing off as Baja begins with better quality.



Pineapples



We seem to be at the absolute peak of the production curve. Pineapple volumes will start decreasing on week 29 and will remain low until end of October. Fruit is expected to trend large during this period with very good quality





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Potatoes



The market is steady from last week with FOBs around \$12-14. Further into storage quality is heading down-hill fast as we finish this season the next 3-6 weeks depending on supplier. US growers planted 3,300 acres more to fall potatoes this year than they did in 2017. All of the increase came in four states—Idaho, Maine Michigan and Nebraska. Reported acre-age was unchanged in New York and Washington. Each of the other six reporting states posted reduced acreage, this year.



Squash



East- Although the growing regions are very fragmented, there is still plenty of squash to go around. Quality has drastically improved, however, occasionally there will be a field with some scarring concerns. West- Santa Maria is seeing great quality with steady pricing. Southern Cal is about \$1-2 higher than Santa Maria, with good quality also available.



Strawberries



Supplies have tightened up after the holiday pulls and the recent Heat wave in Santa Maria. Some growers are reporting a 50% drop in production this week, causing some possible prorates. Sizing is coming down to the 18-22ct range. Stems are extremely difficult to find right now. Pre-booking is advised to all distributors.



Rounds – As we continue to move through the eastern tomato transition, Georgia & most of South Carolina is starting to wind down. A few new fields will come on board shortly, however, most of the volume is moving in the next 7 days to Virginia, North Carolina, Tennessee, New Jersey & Alabama. Quality and volumes from all regions is particularly nice right now. FOBs are down about \$1-2 week over week, with most of the market being driven by California & inbound freight rates. **Romas**- Production in Tennessee has just scratched the surface with Alabama coming on board this week. Reasonable supplies are available with pricing steady week over week. Quality reports from the field are that product is in great shape. **Grapes**- South Carolina should be done by the end of this week. Majority of volume will shift to Virginia by early next week. FOBs are feeling slight upward pressure with the transition on the horizon. Quality is excellent. **Cherries**- Stable supply and demand makes for stable pricing. Product will transition along with grapes up to Virginia by next week. Quality is crisp and excellent. **West/Mexico Rounds**- All major players out west are harvesting at this time. There is ample supply available. Quality has been a struggle the last few weeks through transition, however, the subpar fields are finally being weeded out. Look for quality to improve over the next week. FOBs are fairly steady, maybe down \$1 depending on quality. However, freight is so high, not many are feeling the effect of these low prices! **Romas**- San Joaquin Valley, Baja, and Eastern MX are all moving at full steam. Plenty of romas are available. There have been some mixed quality reports, but overall, quality is great. FOBs are steady. **Grapes**- Baja is producing plenty of grapes to meet demand. Prices are steady with good quality available. **Cherries**- Baja is producing plenty of cherries to meet demand. Prices are steady with good quality available.

Tomatoes



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Watermelons



Movement took a little bit of a step back this week after a solid rally with what looks like most of Florida heading up into Georgia to help get that crop caught up. Prices have mostly stayed level, as well. Texas prices have ticked up a bit of late with the tightening supply. Florida and Georgia continue to track closely with both seeing a sharp downturn in prices the past few days. South Carolina is slightly higher, but saw something similar with the downturn. California seedless are coming in a little higher without that downturn and minis continue to float in the \$0.30 to \$0.40 per pound range.





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Restaurant Marketing Ideas for August

"Restaurant owners and operators have a lot to look forward to in August for restaurant marketing opportunities. For starters, August is National Sandwich Month, National Catfish Month and National Panini Month.

Restaurateur can also take advantage of special days celebrating Banana Splits, Bananas, Brownies, Cherry Turnovers, Chocolate Pecan Pie, Chop Suey, Filet Mignon, Frozen Custard, Ice Cream Pie, Ice Cream Sandwiches, Lemon Meringue Pie, Mustard, Oysters, Peach Pie, Peaches, Pecan Tortes, Potatoes, Raspberry Cream Pie, Raspberry Tarts, Rice Pudding, S'mores, Soft Ice Cream, Sponge Cake, Spumoni, Vanilla Custard, Waffles, Watermelon and Zucchini. For beverage marketing, Beer, Lemonade, Mead, Root Beer, Rum and Whiskey Sours take center stage in August.

There are also several days focused on family and friends in August. Restaurant marketing plans can be built around Friendship Day, Girlfriends Day, Sisters Day, Son and Daughter Day, Middle Child's Day and Senior Citizen's Day, among many others."

1 – National Raspberry Cream Pie Day	11 – National Raspberry Tart Day	23 – National Sponge Cake Day
2 – National Ice Cream Sandwich Day	11 – Son and Daughter Day	24 – National Peach Pie Day
3 – National Watermelon Day	12 – International Youth Day	24 – National Waffle Day
3 – International Beer Day	12 – Middle Child's Day	25 – National Banana Split Day
4 – National Mustard Day	13 – National Filet Mignon Day	25 – National Whiskey Sour Day
5 – National Oyster Day	19 – National Potato Day	25 – Kiss and Make Up Day
5 – Work Like a Dog Day	19 – National Soft Ice Cream Day	26 – National Dog Day
5 – National Sisters' Day	19 – World Humanitarian Day	26 – National Cherry Popsicle Day
5 – Friendship Day	19 – Photography Day	27 – National Banana Lovers Day
6 – National Root Beer Float Day	20 – National Chocolate Pecan Pie Day	29 – National Chop Suey Day
8 – National Frozen Custard Day	21 – National Spumoni Day	29 – More Herbs, Less Salt Day
8 – National Zucchini Day	21 – National Senior Citizens Day	30 – National Toasted Marshmallow Day
8 – Happiness Happens Day	22 – National Pecan Torte Day	31 – Trail Mix Day
9 – National Rice Pudding Day	22 – National Eat a Peach Day	
10 – National S'mores Day	22 – Be an Angel Day	

[Link To Story](#)

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!
Keeping You Informed,

