



WEEK 2 : January 10 - January 16, 2022

MARKET OUTLOOK



Trucks are extremely short:

Trucks were extremely short pre-holiday, but the situation has gone from bad to worse. Rates are out of control as many drivers delay their return to the roads after the new year. It is a bidding war out there and trucks are being pulled right from beneath shippers. Rates had already increased 50% over the last year, but we are seeing that 2 fold with rates double a year ago for the same holiday. 15K+ for a truck is being quoted left and right; this is creating a bottleneck in transportation with non-perishables. We expect availability to get back to normal in the next 10-14 days but will take another couple of weeks to catch up and stabilize.

Regional Weather Update:

Oxnard, CA: Mostly sunny and partly cloudy throughout the week with highs in the mid 60s and lows in the mid 50s to high 40s.

Salinas, CA: Mostly sunny with highs in the high 60s and lows in the mid 40s and partly cloudy on Wednesday, Thursday and Sunday.

Yuma, AZ: Cloudy with some sun towards the end of the week with highs in the low 70s and lows in the 50s.

Immokalee, FL: Partly cloudy most of the week with highs in the mid 80s and upper 70s and lows in the 50s and mostly sunny towards the end of the week.

Idaho Falls, ID: Mostly cloudy with highs in the high 20s and lows in the low teens.

Transportation:

National Diesel Average : \$3.613 Compared to Last Year: \$2.64

Shortages : Seeing high freight rates, with extreme shortages remain in AZ, CO, ID, MN, NC, ND, NY, OR, TX, WA, & WI; slight shortage in: AZ, CA, FL, ID, MI, MN, ND, NY, OR & WI



Asparagus

Beans Green

Brussels Sprouts

Carrots

Cauliflower

Herbs: Cilantro, Rosemary

Grapes

Lettuce, Romaine

Limes

Mushrooms

Onions

Pepper Poblano

Potatoes



MARKET OUTLOOK

Apples



SUPPLY

FAIR

QUALITY

GOOD

Washington apple crop is significantly smaller than previous years. The heat Washington has experienced past summer has resulted in some challenges that the industry is still dealing with.

The average fruit size appears to be down a half size to a full size and bi-color varieties had troubles reaching their optimum appeal. We can expect strong market for large, premium, high color No. 1 fruit.

Good news is; we have seen a significant increase in popularity with varieties like Honeycrisp, Cosmic Crisp, SweeTango, and Pink Lady. Gala is expected to be the top variety at 21%, Red Delicious at 16%, followed by Honeycrisp and Granny Smith at 14%, and Fuji 13%. Cosmic Crisp is the newest variety to register a big uptick as it has been forecast to come in at 3% of the total crop.

MARKET ALERT

Asparagus



SUPPLY

GOOD

QUALITY

GOOD

Supplies out Caborca is supposed to start but with the recent rains, that could be delayed. Volume from Peru has started to decrease and will continue to decrease for the next few weeks due to seasonality. Market on west coast is expected to come off as the week progress. Airspace remains expensive while there are limited space available on vessels. Markets on the west coast remain elevated due to the lack of supply coming out of Mexico and east coast markets have dropped after the holiday rush with Peruvian imports continuing with good supplies.

Avocados



SUPPLY

GOOD

QUALITY

GOOD

Mexican avocado volume is estimated to be 6-10% less, which will continue to support the higher-priced market. Market has been stable. It will be a challenge for distributors to obtain the fruit due to the trucking shortages. Volume is expected to increase through end of January.

Bananas



SUPPLY

GOOD

QUALITY

GOOD

Banana quality and availability continue to be good but expect the volume to be down in February due to the winter cycle the tropic will experience.

Berries



SUPPLY

FAIR

QUALITY

GOOD

Blackberries: Prices for Blackberries are trending up this week. Supplies are tight due to the recent rains in California & reduced staffing associated with the holidays. Volumes out of Mexico are expected to go up a bit. That will help keep pressure on pricing. Quality is Fair.

Blueberries: Prices for Blueberries are trending up this week. Cool damp weather in Mexico along with shorter holiday harvesting is putting pressure on supplies. Importers out of Peru are facing tight supplies associated with reduced holiday staffing and port delays. Expect supplies to remain tight for another week or two.

Raspberries: Prices for Raspberries are trending up this week. Just like with Blackberries, Raspberry supplies are tight due to the recent rains in California & reduced staffing associated with the holidays. Volumes out of Mexico are expected to go up a bit. That will help put pressure on pricing.



MARKET OUTLOOK

MARKET ALERT
Beans Green

SUPPLY
FAIR
QUALITY
GOOD

Florida and Mexico are experiencing some gap due to the weather in the growing area. It's expected to gap for 10 days. There are product but it could be delay due to weather.

Broccoli

SUPPLY
FAIR
QUALITY
GOOD

Supplies will be at average for this week. Growers are reporting average yields at time of harvest. Market pricing increased from last week. Growers are expecting supplies to be lighter with the early morning frost in Yuma AZ. (F.O.B pricing for this week \$15.93 - \$17.03)

MARKET ALERT
Brussels Sprouts

SUPPLY
SHORT
QUALITY
FAIR

Supplies continue to be extremely short for this week. Growers are reporting some improvement in yields going into next week. Quality is reported as good at this time. Expect for supplies to improve in a few weeks (F.O.B pricing for this week \$44.75 - \$45.15)

MARKET ALERT
Carrots

SUPPLY
POOR
QUALITY
GOOD

California labor is still a huge problem. With short staff, some pack sizes are challenging and to keep decent volume is complicated. There are a few items being prorated but we hope to be over this in about 3 weeks. Quality and flavor is excellent.

Cantaloupes

SUPPLY
GOOD
QUALITY
GOOD

Market has continued to settle following the holiday period. Jumbo fruit is now scarce while availability on 9/12/15s is good. Lighter arrivals are expected for a few weeks. Quality continues to be very good with a slight decrease on the lower end of brix levels due to the cooler weather in the growing region prior to the holiday.

MARKET ALERT
Cauliflower

SUPPLY
SHORT
QUALITY
FAIR

Supplies will be very limited this week. Overall quality is reported as fair only, growers are reporting lower yields at the time of harvest. Supplies are expected to be light for the next few weeks. (F.O.B pricing for this week \$29.15 - \$30.11)



MARKET OUTLOOK

Celery



SUPPLY

FAIR

QUALITY

GOOD

Supplies continue to be about average for this week. Demand has slowed down this week. New Crop out of Yuma has started. Market is more active this week compared to last. Current harvest is coming from Oxnard CA and Yuma AZ. (F.O.B pricing for this week \$15.45 - \$17.05)

MARKET ALERT

Citrus



SUPPLY

FAIR

QUALITY

FAIR

Limes ALERT: Pricing is increasing rapidly as demand outpaces supply. We do not expect relief over the next few months, as yields continue to decline into February. Demand trends will dictate velocity of cost increase. The crop is currently peaking on small sizes; large fruit will become increasingly scarce. Overall quality and shelf life has improved upon introduction of the new production cycle. However, we are seeing increased blanching represented on the current crop; although color can appear mixed, product is fresh. As availability declines, please plan supply in advance and be cognizant of frequent price increases.

Lemons: Lemons are the hardest item to pick in D1 after a rain because most of the lemon groves are on hills and we cannot get equipment in to pick. This is causing a shortage on lemons right now and prices have jumped up. However there is a lot of lemons to pick this season so as soon as we can get in and pick heavy again the market should bounce back to their normal prices. Lemons do grow fast with the rain so we are anticipating them to have sized up a bit when we can get back in – we are hopeful to get back in this weekend. We are not anticipating a shortage for lemons for food service at this time.

Oranges: Moving into Washington variety which is normal for this time of the season. The Washington variety is light in volume this season and the fruit is on the larger side, this rain has caused the fruit to grow even more. We will start to see 88's and smaller get very tight from now until we start picking Valencia's in mid to the end of April. Market on 88's and smaller both Fcy and Choice will start to move up and we do not expect relief on these prices the remainder of the season.

Corn



SUPPLY

GOOD

QUALITY

FAIR

Prices for Corn are trending down this week. Product is coming out of South Florida and Mexico. Growers out of Florida are reporting challenges with quality. They're grading out a higher than normal portion of their production. Growers are also reporting weak demands. That will help bring down costing in the weeks to come.

Cucumbers



SUPPLY

FAIR

QUALITY

GOOD

Prices for Slicing Cucumbers is trending up this week. Production out of Florida is traditionally off at this time of year. Add in reduced harvesting schedules associated with the holidays. Imports from Honduras & Mexico is picking up.

Eggplant



SUPPLY

FAIR

QUALITY

GOOD

Prices for Eggplant are trending up this week. Production out of Florida and Mexico is tight due to reduced harvesting schedules associated with the holidays. Look for prices to come off a bit as we move forward.



MARKET OUTLOOK

MARKET ALERT
Grapes


<u>SUPPLY</u>
<u>SHORT</u>
<u>QUALITY</u>

FAIR

Domestic grapes ended earlier than expected and imports are delayed. Adding into this, vessels and ports having issues and causing the few grapes to be released as a dropping pipe. We are in an extreme demand exceed supply situation. Foodservice is currently struggling sourcing red and green grapes with good quality. The extreme situation is expected to last a couple of weeks, getting better as we move closer to February. We highly suggest to substitute them with other options until we pass this situation.

MARKET ALERT
Herbs


<u>SUPPLY</u>
<u>FAIR</u>
<u>QUALITY</u>

GOOD

Cilantro: Supplies will be limited this week. Most growers will be shipping out of Yuma and Mexico next week. Freezing temperatures has slowed down plant growth. (F.O.B pricing for this week \$21.65- \$23.48)

Rosemary: There is a shortage on rosemary due to the high demands during the holiday. With the rain and colder temperatures in Mexico, it has dramatically hindered the production.

Honeydews


<u>SUPPLY</u>
<u>FAIR</u>
<u>QUALITY</u>

GOOD

Honeydews continues to be very limited. New production will lean heavier towards larger sizes which will limit the 6/8 availability. There's very little inventory sold on the open market due to contract business consuming the majority of the volume coming in. Quality has been outstanding with clean external quality and brix levels remain consistently in the 12-14% range.

Iceberg


<u>SUPPLY</u>
<u>GOOD</u>
<u>QUALITY</u>

GOOD

Supplies continue to be steady for this week. Market pricing continues to be good. Quality and Weights will continue to be very good this week. Expect some outer leaf quality issues due to early morning frost in Yuma. Growers are expecting for steady supplies the next few weeks. (F.O.B pricing for this week \$10.16 - \$11.16)

MARKET ALERT
Leaf


<u>SUPPLY</u>
<u>GOOD</u>
<u>QUALITY</u>

GOOD

Romaine ALERT: Supplies are light this week. Overall quality is only fair at this time. Weights will be on the lighter side until supplies improve. Expect some outer leaf quality issues due to early morning Frost in Yuma. Growers are expecting better supplies in the upcoming weeks. (Romaine pricing for this week \$16.61 - \$17.48) (Romaine Hearts pricing for this week \$19.70 - \$21.70)

Green & Red Leaf Lettuce: Supplies continue to be good this week. Growers are reporting steady yields at the time of harvest. Quality is reported fair to good for this week. Supplies will continue to improve and remain steady for a few weeks. (F.O.B pricing for this week \$10.10 - \$11.50)

Tender Leaf: Supplies continue to be good 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)



MARKET OUTLOOK

MARKET ALERT**Mushrooms****SUPPLY**

SHORT

QUALITY

FAIR

Shitake Mushrooms: Due to uncontrollable rise in cost of imported Shitake logs from China. Shitake mushrooms supplies will be short, 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.

MARKET ALERT**Onions****SUPPLY**

FAIR

QUALITY

GOOD

This market remains of high concern for the duration of this crop. Price remain much higher than average with reduced yields. Expect the OR/ID crop to remain high and tight. Reds have increased in price and will continue to climb in since northwest region doesn't grow reds and there's already a shortage. Cold weather and snow is now playing a part in the northwest along with continued shortage of trucks and freight concerns. Onions from Mexico is starting to cross the border but won't see good volume until February. If quality is good, would expect the prices to decline. Market has increased a crossed the board about \$0.50 to \$1.

MARKET ALERT**Onions Green****SUPPLY**

SHORT

QUALITY

FAIR

Supplies continue to be extremely short this week. Market pricing continues to be high. Quality will only be fair at this time. Supplies coming from Mexico will be extremely limited for the next few weeks. Cold weather has also slowed down crop growth. (F.O.B pricing for this week \$30.95 - \$31.43)

Pears**SUPPLY**

FAIR

QUALITY

FAIR

This year's pear crop was down significantly, with mostly larger fruit available. Growers are trying to drag out supplies as best as possible until new crop starts next August .

Peppers Bell**SUPPLY**

FAIR

QUALITY

GOOD

Prices for Green Bell Peppers are trending sufficiently up this week. Prices for Red and Yellow Peppers are trending down. Production out of Florida and Mexico is tight due to reduced harvesting schedules associated with the holidays.

MARKET ALERT**Peppers Chili****SUPPLY**

FAIR

QUALITY

GOOD

Prices for Serrano, Jalapeno and Anaheim Peppers are trending up this week. Prices for Poblano and Hungarian Wax Peppers are trending down. Production out of Florida and Mexico is tight due to reduced harvesting schedules associated with the holidays. **ALERT - Poblano Peppers**



MARKET OUTLOOK

Pineapples



SUPPLY

GOOD

QUALITY

GOOD

While Pineapple volume is where we would like it to be this time of year, we are experiencing a higher cost to go to market. Quality and taste profile are great.

MARKET ALERT

Potatoes



SUPPLY

FAIR

QUALITY

GOOD

This market remains of high concern for the duration of this crop. Price remain much higher than average with reduced yields. Cold weather and snow is now playing a part in the northwest along with continued shortage of trucks and freight concerns. With the shortage on trucks, freights are doubling this week if you want a load.

Squash



SUPPLY

FAIR

QUALITY

GOOD

Prices for Green and Yellow Squash are trending up this week. Cool wester and reduced harvesting around the holiday is impacting the markets this week. Look for production to pick up in the weeks to come if the weather corporates.

Strawberries



SUPPLY

FAIR

QUALITY

FAIR

Prices for Strawberries are trending up this week. California experienced rain last week and along with the holidays, production was impacted. Growers are expecting volumes to pick up out of Florida and Mexico. That should help put some pressure on pricing.

Tomatoes



SUPPLY

FAIR

QUALITY

GOOD

Prices for 2 Layer Tomatoes, Grapes and Romas are trending down this week. Prices for 25 lb Tomatoes and Cherries are trending up. Cooler temperatures and reduced production around the holidays is putting pressure on pricing. Look for the markets to come off a bit over the next few weeks as production ramps back up.

Watermelons



SUPPLY

FAIR

QUALITY

GOOD

Seedless watermelon arrivals are now coming in consistently on a limited basis. Quality has been good.





MARKET OUTLOOK

Truck Driver Shortage Looms Over 2022

Connor D. Wolf | Staff Reporter December 27, 2021 10:15 AM, EST

Trucking is likely to continue to see a shortage of professional drivers with the underlying causes showing no signs of stopping in 2022.

American Trucking Associations estimates that the industry needs 80,000 more drivers. That could be the same or worse next year with those estimates expected to surpass 160,000 by 2030. High demand, a lack of new drivers and retirements play into the issue.

"I wish I had a crystal ball to be able to see the future," Daniel Most, vice president of operations and safety at CPC Logistics, told Transport Topics. "I think there's still going to be a shortage that's significant because of the supply and demand. There is still going to be a lot of freight to move next year and the same or fewer drivers."

The industry has been pursuing a range of solutions. The primary method carriers have used to attract drivers is raising pay. ATA estimates earnings are increasing at a rate five times their historical average, with the average weekly earnings for longhaul drivers being up more than 25% since the beginning of 2019. But those efforts mostly have amounted to carriers competing over the same limited pool of drivers with the lack of new entries.

"I think as long as the freight market continues to do what it's been doing and from everything that I've been hearing from the folks that we work with, I don't expect that to change, at least through the first two quarters and possibly the first three quarters," said Scott Dismuke, director of operations at Professional Driver Agency. "I think it's just going to be more of the same at this point. Unless we can start getting more drivers, newer drivers, attracted to the market, we're still going to be up against the wall."

Dismuke noted that when it comes to retention it's important for carriers to be aware of what issues drivers are facing. That means communicating consistently with their drivers and having the ability to quickly identify and intervene when problems arise.

"When it comes to the drivers that are in the market right now and new drivers entering the market, I think we're in for more of the same," Dismuke said. "Carriers knowing what their drivers are saying right now is probably more important than it's ever been. Because you have to have the ability to identify and intervene in order to retain drivers right now."

Dismuke noted that the situation next year will depend on how current market conditions evolve. Freight demand remaining high, for instance, will mean there will continue to be a heightened demand for drivers. He also pointed to the semiconductor chip shortage slowing the supply of new equipment and the coronavirus pandemic as playing a role.

"I think once you kind of get this whole chip thing figured out, a lot of the chips come from Malaysia, I think you could possibly see a pickup in the auto-hauling side of things," Dismuke said. "Then depending on what happens with the president's restructure bill, you could see an increase in a lot of the construction area, which would be good for flatbed. I think there are still a couple of issues that we need to wait and see what happens that could actually increase what is already a very heavy freight market."

The Drug and Alcohol Clearinghouse, a federal program that takes professional drivers off the road for failing a drug or alcohol test, reported in August that it has logged 93,808 violations since January 2020.

"Only 20,000 of them have done what they needed to do to get their license reinstated," CPC Logistics' Most said. "There's 80,000 right there, and we'll be on pace to lose another 50,000 to 60,000 potentially next year. And then there are all the retirements."

<https://www.foodlogistics.com/transportation/trucking/article/21940764/maven-machines-supply-chain-snarls-and-the-driver-shortage-heading-into-2022>

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

