



MARKET OUTLOOK

SUPPLY = GOOD | QUALITY = GOOD

Apples



This year's Washington State Apple Crop is now estimated at 121 million boxes vs shipping 133.5 million last year. This is a significant drop from last season but WA will have Apples to sell throughout the Year. Eastern Washington had 2 major wind storms late September/Early October where in some areas devastated orchards. Plus - some varieties did not bounce back from the year before, we call it a light set. Also, late October - we had a few days between 12 and 18 degrees - some apples did not make it through. Reds, Golds, Galas and Gr Smiths are the varieties mostly impacted by the loss. The Farm to Family Box Program has been a huge part of the Price Increases seen in the past 2 Months.

MARKET ALERT

SUPPLY = BAD | QUALITY = FAIR

Asparagus



Supply remains very short and prices remain high. Contracts are basically capped out. Strikes in peru, holidays, cold weather, and waiting on Caborca to start out are all concerns in this category. Sit tight, things should improve slowly, but day by day improvement with supply will reduce FOBs in this market.

SUPPLY = GOOD | QUALITY = GOOD

Avocados



The shortened holiday harvest, along with a tight and very expensive truck market pushed avocado prices up this past week. However, the truck shortage may persist a few days until equipment returns to the border after a holiday shortage. Growers continue to push for higher field pricing, and as you will see below FOB's are reflecting those higher levels. While the general continued lack of strong demand remains in place, fruit is said to be abundant. This trend is expected to continue and may re-adjust future pricing back down a couple notches. One factor being assessed currently is a heavy frost event over the weekend. The extent of any damage has yet to be completely calculated. #2 fruit yield is now in the 15% range with inventory building across most sizes. Lack of foodservice demand continues.

MARKET ALERT

SUPPLY = FAIR | QUALITY = GOOD

Bananas



Recent Hurricane has caused damage to banana inventories as a result we will see tighten product and increased markets, however the bananas quality continue to be good. Volumes are much lower. Organic supplies are tight from both sources (ECU & MX). We are seeing impacts in all supplies in Central America.

SUPPLY = GOOD | QUALITY = GOOD

Berries



Blackberries - : Prices for Blackberries is trending up this week. Growers are reporting that production impacted by cool weather. Production was recently impacted by the Christmas and New Years Day holidays. **Blueberries**: Prices for Blueberries are trending up this week. Imports were disrupted due to the Christmas and New Years Day holidays. Growers are reporting that production has been slowed down in Chili, Mexico and Chile. Shippers are reporting many late arrivals with imports. **Raspberries**: Prices for Raspberries are trending up this week. Growers are reporting that production is between blooms in Mexico. That's tightening up supplies. Cool weather and the holiday's impacted supplies too.

SUPPLY = FAIR | QUALITY = GOOD

Beans, Green



Supply is headed up and prices are coming down. Although some suppliers remain slightly escalated, we are almost back to normal.



MARKET OUTLOOK

Broccoli



Broccoli supplies continue to be light this week. Cold weather is creating some stunting with the plants. Fair to good quality is been reported at this time. Yields are lower than expected for this time of the year. It might take a few weeks for Broccoli plants to catch up and mature in time for harvest.

SUPPLY = FAIR | QUALITY = FAIR

SUPPLY = GOOD | QUALITY = GOOD

Brussels Sprouts



Brussel Sprouts supplies are expected to maintain strong for the month of January. This is a good item to promote for the month of January. Very good quality is reported at this time. A slight decreased with demand for this week. Expect steady markets for the month of January.

SUPPLY = GOOD | QUALITY = GOOD

Carrots



Cellos are very tight, especially 48/1s. With retail servicing a lot of demand that is normally taken care of in the foodservice sector it is putting some strains on compacity as the production system is not built to service the additional demand for these products. . There are not enough hours in the day to make everything being requested. This should improve as we open our Arizona and Georgia seasons the first week of January. Snack packs tight too.

SUPPLY = GOOD | QUALITY = GOOD

Cauliflower



Cauliflower supplies have improved this week. Cold mornings have slowed down yields. Fair to good quality is been reported at this time. Supplies are expected to be better going into next week.

MARKET ALERT

Cantaloupes



Limited cantaloupe production continues from Guatemala and Honduras. Sizing has planed off back to a better percentage of larger melons rather than the smaller fruit (15s) that were seen the past couple weeks. We anticipate consistent supplies to continue next week before a significant reduction in production by Week 3 arrivals. Lighter supplies are anticipated over the next 5-6 weeks due to lower yields directly attributed to the November storms.

SUPPLY = FAIR | QUALITY = GOOD

MARKET ALERT

Celery



Celery supplies are extremely short this week. Cold weather is creating some stunting with the plants. Fair to good quality is been reported at this time. Yields are lower than expected for this time of the year. It will take a few weeks for Celery supplies to improve.

SUPPLY = GOOD | QUALITY = GOOD

MARKET ALERT

Corn



Prices for Corn continues to trend higher this week. Growers out of South Florida are still trying to recover from 4 hurricanes, excess rain and cool temperatures. All the poor weather conditions has severely impacted production schedules. Growers are reporting challenges with quality too. Growers don't expect to see any relief until at least the end of January. When production recovers, prices should come down fast and hard. Production is coming out of Mexico through Nogales and South Florida at this time.

SUPPLY = BAD | QUALITY = BAD



MARKET OUTLOOK

Cucumbers



Prices for Cucumbers is trending slightly up this week. Production is picking up out of Mexico. Production out of Honduras is picking up but suppliers are concerned about quality from recent rains.

SUPPLY = FAIR | QUALITY = FAIR

Eggplant



Prices for Eggplant remains steady this week. Growers are reporting good supplies at this time.

SUPPLY = FAIR | QUALITY = GOOD

Grapes



The import grape market is weaker than this time historically. Slow movement on greens has caused the market to come off a bit. This will adjust as the early green arrivals clear out. Quality on green grapes is excellent. Active markets this week after the holidays.

SUPPLY = GOOD | QUALITY = GOOD

MARKET ALERT

Honeydews



Honeydew production will also be decreasing over the next 5-6 weeks but current supply has been affected by cooler weather leaving large fruit in a very limited position with volume currently on smaller sized fruit (8/9s).

SUPPLY = FAIR | QUALITY = GOOD

Iceberg



Lettuce supplies continue to be very good this week. Growers are reporting slight quality issues with outer leaves due to early morning frost. Good quality and improved weights are reported this week. Growers are expecting steady supplies the next few weeks.

SUPPLY = GOOD | QUALITY = FAIR

Leaf



Romaine: Romaine supplies will be steady going into next week. Growers are reporting slight quality issues with outer leaves due to early morning frost. Fair to good quality and good weights on carton Romaine. Expect to see some epidermal peel on the Romaine. This is caused by early morning freeze causing the epidermal peel on the leaves.

SUPPLY = GOOD | QUALITY = FAIR

Green Leaf/ Red Leaf/ Butter (Boston) Lettuce: Good supplies on Green Leaf this week. Expect to see some slight fringe burn on the outer leaves due to early morning frost. Markets are not triggered.

SUPPLY = GOOD | QUALITY = GOOD

Tender Leaf



Demand is down for sure across the board here but seeing good quality and supply across all tender leaf categories. Early morning frost is creating a slight concern with quality but not extreme.

*****PARSLEY crop is a little behind schedule, still escalated with some.**



MARKET OUTLOOK

SUPPLY = GOOD | QUALITY = FAIR

Lemons & Limes



LIMES: Availability this week is lower than expected due to the lower volume of Limes crossing over the weekend. There is better availability on bigger sizes 110ct & 150ct while the smaller sizes are starting to increase, 250ct are pretty tight and not even available for loading today out of the border.

LEMONS: Lemon market is steady right now. Fancy larger sizes a bit higher and tighter. Most choice fruit sitting around \$18-23, small fruit is tighter but not to a concerned extent. Fancy sitting about \$26-35 and big fruit is tighter.

MARKET ALERT

SUPPLY = GOOD | QUALITY = GOOD

Mushrooms



Overall a fairly stable item for 10 months out of the year. We are in the winter months where there is some activity as demand increases across the country. With heavier than normal retail pulls and the holidays just passing, we are seeing some sizing concerns (small) and reduction in supply. COVID restrictions are also affecting things at supplier level. Look for things to remain a bit tight for the next couple weeks and improve into the spring.

SUPPLY = GOOD | QUALITY = GOOD

Onions



Onion market remains very steady. Seeing good quality, supply and demand. Yellow FOBs \$6-7, whites \$12-14, reds \$6-7.

SUPPLY = FAIR | QUALITY = GOOD

Onions, Green



Limited supplies for this week on Green Onions. Harvest crews have missed some harvest days due to the holidays. Markets are not triggered.

SUPPLY = GOOD | QUALITY = GOOD

Oranges



Seeing good quality and demand. Flavor profiles continue to improve over the coming weeks. Big fruit is much tighter than smaller sizes. Fancy about \$12-21 and choice \$12-17 FOB.

SUPPLY = GOOD | QUALITY = GOOD

Pears



2020 is a clean crop of pears and quality is very good. Barts will be available through the last week of Feb or first week of March. New crop starts mid-August. Anjou's – through August, just in time for new crop. Red Pears – through June – new crop starts mid-August. Bosc – through April – new crop starts early September.

SUPPLY = GOOD | QUALITY = GOOD

Peppers, Bell



Prices for Peppers are trending up this week. Production out of Florida is weak from the last 3 months of bad weather. Supplies out of Mexico has been impacted by the Christmas and New Years Day holidays. Growers out of Mexico are expecting production to ramp up over the next few weeks.



MARKET OUTLOOK

SUPPLY = GOOD | QUALITY = GOOD

Peppers, Chili

Prices for Chili Peppers is trending up this week. High demands is tightening the market.



SUPPLY = GOOD | QUALITY = GOOD

Pineapples

Total precipitation has stabilized over the last 2 weeks of the year but temperatures continue low. Ield sampling to intensify in the coming weeks to evaluate incidence of NDF. Volumes on 5ct & 6ct pineapples are a little lower. Opportunities on crownless pineapples are available.



SUPPLY = GOOD | QUALITY = GOOD

Potatoes

Potato market remains stable and steady. Seeing average supply quality and demand. **US December table potato shipments exceeded year-earlier movement by 140,000 cwt.** However, December had one more business day in 2020 than it did in 2019. As a result, this year's daily shipping rate fell 2.7% short of the 2020 pace. Fobs currently about \$6.50-10, 100cts → 40s.



SUPPLY = FAIR | QUALITY = GOOD

Squash

Prices for Green and Yellow Squash is trending up this week. Production is coming out of Mexico and South Florida. Growers are expecting production to ramp up in the weeks to come.



SUPPLY = GOOD | QUALITY = GOOD

Strawberries

Prices for Strawberries out of the East, West & Mexico are trending up this week. Growers are expecting tight supplies through January. Cool temperatures and rain has impacted production. Expect prices to remain elevated throughout the remainder of January. Growers are reporting that if they aren't hit with any freezes going forward, they expect good supplies & quality for the Valentine's Day holiday. Growers are asking for extra lead times on orders right now.



SUPPLY = BAD | QUALITY = BAD

MARKET ALERT

Tomatoes

Prices for all tomatoes except Roma tomatoes continue to trend up this week. Prices for Roma's are currently trending down. Roma's are the best value for the money in the category right now. The tomato industry continues to see demand exceeding supply as we enter the second week of the new year. Florida volume remains light due to cold, rainy conditions which has stimulated crop disease in some areas. The round tomato crop has heavier volume on smaller sizes while bigger fruit remains fairly scarce. A new growing area in Mexico (Culiacan) has started up and volume will increase fairly drastically in the next 1-2 weeks which should create a flush market. This should expand to romas, grapes, etc. and we should start seeing pricing fall as we enter the latter half of January.





MARKET OUTLOOK

ProduceIQ: Top 10 drivers affecting 2021's fresh produce market – Part 1

10 – Higher Freight rates

Produce sales and refrigerated freight are inseparable. The availability of reefer trucks for fresh produce is being constrained by increased compliance with stricter logbook rules, California truck emission laws, and driver shortages. Given increased demand from other supply chains (e.g. Amazon effect) for this limited supply of equipment and drivers, anticipate continued high freight rates.

9 – Consolidating suppliers

Despite the desire for small and local farmers, the supply side is continuing to consolidate. Large grower-shippers are getting larger as the fixed costs of production increase with the value of year-round customer continuity. Likewise, on the buy side, major retailers and foodservice distributors gain market share and increase in size. As production becomes less fragmented, planting schedules will be driven by known customer demand, programs will become more important and the spot market will move less volume. Produce prices should outpace core inflation as the supply side becomes more disciplined.

8 – Programs, spot markets, and Acts of God

This year's volatility tested our produce supply chain. Increasing levels of participants are seeking programs, contracts, and an ability to reduce market risk. However, these programs need to have increased flexibility to accommodate the unforeseen. The government shutdown of restaurants in March created another new reason that contracts need an Act of God clause and plan B flexibility. Unlike spot markets for non-perishables, the produce industry witnessed the inability of suppliers to quickly connect with new customers, causing millions of dollars of produce to be wasted. Improving resiliency is the new buzzword for our produce markets.

7 – Extreme weather & CEA

It may be an oxymoron to say, but natural phenomena are quite commonplace for the produce industry. In 2020 the industry battled California forest fires, extreme temperatures, an abnormally wet summer and hurricanes in November. The business model for controlled-environment agriculture or CEA in certain commodities has been proven. This sector recently raised significant amounts of capital for new greenhouse and high-tech indoor facilities.

6 – Digital transformation

Though known for being a highly personal and low-tech industry, fresh produce was required to adapt to working from home (WFH), limited travel, virtual tradeshow, zoom meetings, and online ordering. In 2016, McKinsey Global Institute rated agriculture as the least digitized of all 22 industries studied. However, Covid-19 has acted as a catalyst for an industry previously deemed technologically undeveloped.

Watch for the Top 5 in tomorrow's post."

<https://www.producebluebook.com/2020/12/29/produceiq-top-10-drivers-affecting-2021s-fresh-produce-market/?fbclid=IwAR0S5fKBH2vAsCXMddy1nuxelUWbv7DxcF6JO1bsiEWMzgmT8yksecQWF04>

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

