



WEEK 43: October 19 - October 25, 2020 MARKET OUTLOOK



Romaine Lettuce
HIGH Alert
Heat and Fires



Eggplant
Alert
Rain and Cool Temps



Corn
Alert
Weather



Pineapple
Alert
Labor Strikes



Oranges
HIGH Alert
Supply Gap



Asparagus
Alert
Supply Gap



Iceberg Lettuce
Alert
Rain and Wind



Strawberries
Alert
Heat and Fires



Tomatoes
Alert
Rain and Wind



Bell Peppers
Alert
Rain and Wind



Green Leaf
Alert
Heat and Fires



Green Beans
Alert
East Coast Weather



Cauliflower
Alert
Heat and Fires

MARKET ALERTS

OVERVIEW

We are seeing quite a few items on alert again this week. The commodities and fields have been continuously beaten down around the country by either heat waves, fires, or hurricane storm conditions. The East Coast has been hampered by storms which has caused summer veg to have issues while the West Coast has had multiple three day heat waves that has caused lower yields and harmed the plants. The transition south from Central Cal is fast approaching and as usual, a large dependency will fall on how that transition happens. With good fortune, a good transition will help ease some of the issues we have seen building up in Cal Veg over the past couple of months.

There is better weather ahead of us so hopefully supply can work on catching up with fall demand. The industry is still seeing heavy retail pulls and dealing with USDA Box Programs. Both of these are impacting the level of supply that is reaching the food service industry. Keep getting orders in early to ensure shippers have enough time to plan for a limited marketplace. Trucking continues to be limited across the country but there hasn't been a huge increase in fuel costs.



Regional Weather Forecast

Highs

Lows

Oxnard, CA

Sunshine and partly cloudy days. No rain on the forecast.

Low 70s

Upper 50s

Salinas, CA

Sunshine and partly cloudy days with no rain on the forecast.

Mid 70s

Low 50s

Santa Maria, CA

Sunny and partly cloudy.

Mid 70s

Low 50s

Watsonville, CA

Partly cloudy and sunny next week.

Mid 70s

Low 50s

Bainbridge, GA

Rain over the weekend followed by partly cloudy and sunny conditions.

Mid 80s

Mid 60s

Idaho Falls, ID

Sunny and partly cloudy.

Low 60s

Low 30s

Regional Transportation Report

National Diesel Average: **\$2.395**(wk 42)

2019 : **\$3.051**(wk 42)

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.

Regions with shortages:

Nationwide trucks are still higher this week due to high demand in certain regions, although there have been overall improvements. Slight shortage in West Florida, Minnesota-North Dakota, East North Carolina. Shortages in Colorado, Delaware, Minnesota, Idaho, North Carolina, Wisconsin, Oregon and Washington.

Weekly Market Changes

Asparagus ALERT



Quality: BAD Supply: BAD

Volume on asparagus is down and is primarily coming out of PE. Sizing has been inconsistent and West Coast product is very limited while East Coast remains limited as well. We are seeing an uptick in supply and should be in a better spot as MX continues to increase in the coming weeks.

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: FAIR Supply: FAIR

Blueberries- There has not been a flush transition into import product as we have still seen lighter volume coming from PERU and domestic product hasn't been producing at heavy levels either. Peru is anticipating an increase in supply by late October. Product is loading on both coasts and quality has been reported as good. Seeing some product cross through the AZ and McAllen borders as well.

Raspberries- Supply has been good, probably considered the most stable of the 4 berry categories. This likely is due to Razz being typically the lowest demanded berry. Markets are stable though and quality has been good. Product is coming from Salinas/Watsonville area and also out of MX. Leaning more favorably toward the import MX programs and will continue to see heavier volumes moving forward.

Blackberries- We have suppliers pushing product from multiple different growing regions. Still seeing limited supply off the West Coast but quality has just been fair. There is also still supply coming from Guatemala and MX. Guat has had good volume and fair/good quality. MX is more limited but will continue to see number improve as we head into Nov. Quality should continue to improve as well.

Broccoli



Quality: GOOD Supply: FAIR

Broccoli supplies have improved this week. Growers are harvesting better yields at this time. Good quality is being reported for this week. Supplies are expected to continue improving going into next week.

Brussels Sprouts



Quality: GOOD Supply: GOOD

Brussels Sprouts supplies continue to be good this week. Growers are reporting good supplies at this time. Demand is stronger with Brussel Sprouts for Foodservice and Retail. Expect markets to remain steady for a few weeks.

Cantaloupe



Quality: FAIR Supply: FAIR

Harvest numbers have improved with conditions cooling off and fires beginning to subside. Melons are back off alert and should be more stable moving forward with regular sizing and good quality.

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

ALERT



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

Cauliflower supplies are short for this week. Growers are harvesting lower yields this week. Growers reporting fair quality at this time. Expect markets to increase going into next week. Demand continues to be strong.

Celery



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

Celery supplies are very good this week. Growers are reporting steady supplies going into next week. Good quality is also being reported at this time. Supplies are expected to remain steady going into next week.

Cilantro



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

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

Corn

ALERT



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

Prices continue to be escalated on Corn this week. Supplies are tight out of the East and West. Georgia is still reporting small barrels and underdeveloped ears. Production is starting up in Arizona. Production out of Florida is just around the corner.

Cucumbers



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

Price for Cucumbers is coming down strong this week. Production is picking up out of Georgia right now. Production out of North Carolina and Nogales is helping to keep prices in check too.

Eggplant

ALERT



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

Prices for Eggplant is trending up this week. Production has been impacted by weather across the nation. Expect supplies to be tight for the next 2 to 3 weeks.

Weekly Market Changes

Chinese Garlic

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

Beginning to see better numbers as imports begin to loosen and there is supply between domestic, Spanish and China



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 steady for the next few weeks but then will begin to see greens coming to an end while reds continue on for an additional few weeks.



Green Beans

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

ALERT

Due to the Hurricane a few weeks ago we have seen significant damage to Georgia crops. The Hurricane produced strong wind damage and flooded the fields which has reduced the amount of product harvestable in the fields. The late freeze in NY limited crop production as well. Should see escalated markets for the remainder of October until FL can pick up the slack.



Honeydew

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

Harvest numbers have improved with conditions cooling off and fires beginning to subside. Melons are back off alert and should be more stable moving forward with regular sizing and good quality.



Iceberg

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

ALERT

Lettuce supplies are short this week. Growers are reporting very low yields at the time of harvest. We are waiting to have lettuce from Huron CA early next week. Expect for cartons to continue to be light in weight. Growers continue to harvest and remove fringe burn from the outer leaves.



Romaine Leaf

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

HIGH ALERT

Romaine supplies continue to be extremely limited. Growers continue to be challenged with very short supplies. We are waiting to have Romaine from Huron CA early next week. Growers are only reporting fair quality at best. You will see fringe burn on the outer leaves. Supplies will continue to be short for a few weeks.



Red and Green Leaf

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

ALERT

Green Leaf supplies will continue to be very limited this week. Strong demand continues with Lettuce and Salads. Growers yields continue to come up short on bins and cartons at the time of harvest.



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: **FAIR**

Currently working with primarily import Chilean/Argentina lemons. The import fruit is in decent condition but is showing some pale and lighter color exterior.



Limes

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

Limes spiked for a few weeks but have since stabilized. Markets dropped last week and should remain stable for the coming weeks.



Mushrooms

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

Overall a fairly stable item for 10 months out of the year. We are entering the winter months where there is some activity as demand increases across the country. No levels of concern at this point on supply or quality issues.



Onions

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

Market has leveled out after a transition up into new crop out of the Pacific North West region. Quality has been good and supply is flush. Growers are expecting a good season barring any major setbacks.



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: **BAD** Supply: **BAD**

HIGH ALERT

We are heading into a difficult next few weeks in the orange category. The USDA box program has affected overall supply and coupled with a short season has put a ton of pressure on the category. Domestic Navels are scheduled to arrive October 26th and the Valencia program is about dried up. The market will remain escalated until the domestic crop can pick up the slack. More details in the article at the end of the outlook.



Weekly Market Changes

Peppers, Bell

ALERT



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

Prices for Bell Peppers are on an upward trend this week. Georgia is starting to recover from the recent bad weather but production isn't high enough to cover volume needs at this time. Production will ramp up in the weeks to come. Growers are expecting production to start out of Florida in about 4 weeks.

Pineapple

ALERT



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

Volumes have been low for the past few weeks but are now improving. Weather had been a major issue but is now improving. There are currently labor strikes in Costa Rica that are creating a shortage in harvested product.

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 the fall season.

Summer Squash

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



Prices for Yellow and Zucchini Squash are at very reasonable levels this week. Production out of Georgia, North Carolina and Mexico is good. Growers are reporting improvements with quality too.

Strawberries

ALERT



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

The market is up still and is likely to remain up through Oct until relief comes from MX. Quality hasn't been awful, the market has just been abnormally active with dips in availability and heavier pulls from different avenues. This week demand has dropped some which led to a slight down tick in price but it won't lead to a major drop. Salinas and Watsonville are about done, except for some straggling fields. Santa Maria is the strongest zone and some growers will begin in MX starting next week but it will be in small numbers to begin. The overall hope is to have MX help the marketplace leading into NOV, the problem remains that winter months are not a strong period and often are heavily dependent on storms and potential for rain to wash out fields. Anticipate a rough winter as there is a lot of variability with retail vs food service in an already volatile time

Tomatoes

HIGH ALERT



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

Weather has dramatically impacted tomato production for the last Month. Prices for all Tomatoes including Roma's Grape tomatoes and Cherry Tomatoes continue to trend up this week. As expected, Roma tomatoes are seeing the largest price increases this week. With that said, Roma's are still the best value per lb in the tomato category. Growers aren't expecting any relief for another 2 to 3 weeks. Supplies remain extremely tight out of the East and West. There isn't enough production out of Mexico to cover demands. Growers are reporting challenges with quality too. Please give all growers extra order lead times so they can work on supplying your needs.

Watermelon



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

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

Industry Report

Navel Crop Ready to Kick Off

The Packer: October 16, 2020

Volume of California's 2020-21 navel orange crop is forecast to be down slightly from last year, while quality and fruit size should be good, said Casey Creamer, president of Exeter-based California Citrus Mutual.

Oranges showed a 47% increase in dollar sales for the 13-week period ending Sept. 6 compared to the same period a year ago, and a 45% increase in volume sales, according to IRI, a Chicago-based market research firm.

Picking could start as early as the first week of October in Kern County in the southern part of the San Joaquin Valley and by mid-October in other parts of the state.

Volume is estimated to be 81 million 40-pound cartons in California's Central Valley and 84 million overall, Creamer said. That's down about 5% from last season.

California experienced a "fairly mild summer," he said, with some hot days but cooler nights, that allowed the trees "time to rest and cool down."

Wildfires spewed smoke throughout the state, but Creamer did not expect any negative impact on fruit quality. "People are pretty excited about the crop they have on the tree and the market that's there," he said.

Navel oranges have been the real winners since the COVID-19 pandemic broke out, said Zak Laffite, president of Dinuba, Calif.-based Wonderful Citrus.

"Navel orange consumption this year versus last year (was) up almost 40% in the summertime," he said. "People have really gone to oranges as the old, traditional source of vitamin C," he speculated.

Booth Ranches LLC, Orange Cove, Calif., will start picking navel oranges the second week of October, said Tracy Jones, chief operating officer and senior vice president of sales.

"We plan to pick mid-October to the end of June," she said. Quality of the 2020-21 navel crop looks good, she said.

"We have started taking the California maturity tests, and we have several blocks that are ready to go," Jones said in late September. "We should start with good supplies and hopefully not slow down."

Estimated fruit size looks normal to a half size larger than normal, she said. The coronavirus pandemic has prompted an uptick in citrus sales. "It may slow down from the current pace; however, we are anticipating it will still be in higher demand (compared) to the same time last year."

Suntreat Packing & Shipping Co., Dinuba, Calif., expected a slightly smaller navel crop than last year's, said Dan Kass, vice president of import/export sales and marketing.

Volume may be down 5%-8%, but sizing should be larger, and that's a good thing, he said, since small sizes can be more challenging to move. "We have what looks to be a good, right-sized crop on the tree," he said.

Summer imports were mostly gone, so the navel pipeline will be pretty much cleared out when California starts, he said.

Kass said he expected a "good, orderly transition" from the Southern Hemisphere fruit to product from California. "Generally, there's good optimism in the industry for a strong season," he said. Suntreat was expected to kick off its navel season around the week of Oct. 19.

Delano, Calif.-based Hronis Inc. will have additional availability this season because of new acquisitions, said Jennifer Lobue, citrus category manager.

The company expected to start harvesting navels during the beginning of November, she said, and will offer them until June.

"The quality of fruit on the tree looks to be great," she said. "We will have good availability across all sizes. The company experienced an increase in sales at the beginning of the pandemic," Lobue said, "and we expect that to continue until things get under control."

Navels have faced strong competition from mandarins, but Lobue remained optimistic about the navel category. Over the years, many (growers) have replaced navels with other types of citrus like mandarins," she said.

"Although mandarins are very popular, I feel like navels are holding their own at this time with the acreage that is left."