



**WEEK 7 : February 14 - February 20, 2022**

# MARKET OUTLOOK

## Regional Weather Update:

**Oxnard, CA:** Mostly sunny during the week with highs in the 60s to 70s and lows in the uppers 40s to 50s with partly cloudy on Monday and Sunday.

**Salinas, CA:** Partly cloudy and sunny throughout the week with highs in the 70s to low 60s and lows in the 40s.

**Yuma, AZ:** Sunny with highs in the upper 70s to low 80s and lows in the high 40s to low 50s.

**Immokalee, FL:** Cloudy most of the week with highs in the 70s to high 80s and lows in the 40s to 60s with shower on Saturday.

**Idaho Falls, ID:** Partly cloudy with some morning snow shower during the week with highs in the 30s and lows in the low in the teens to 20s with some sun on the Thursday.

## Transportation:

**National Diesel Average :** \$3.951 **Compared to Last Year:** \$2.63

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

## MARKET ALERT

**Asparagus**

**Banana**

**Brussels Sprout**

**Carrots**

**Citrus: Limes, Oranges**

**Corn**

**Grapes**

**Green Beans**

**Mushrooms**

**Onions**

**Peppers Bell: Red & Yellow**

**Potatoes**

**Strawberries**

**Squash**

# MARKET OUTLOOK



## Apples



SUPPLY  
FAIR  
QUALITY  
GOOD

The market continues to stay firm as demand remains strong, leaving growers with less fruit. Overall crop is down this year. 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. Premium Honeycrisp as well as Gala continues to be tight. Pricing overall is running higher due to the shorter crop, inflation in the growing chain including labor, picking, and transporting of apples. Quality has been good.

### MARKET ALERT

## Asparagus



SUPPLY  
FAIR  
QUALITY  
FAIR

Limited volume coming out of Mexico. With the freeze last Wednesday and cold weather in Caborca, little harvesting was done during that time. Along with the freeze and short production, trucks are being delay at the border. Peru is done until mid-March/early April. Volume is expected to improve in a couple of weeks. Markets are active due to cold weather in Mexico and Valentine's Day ads.

## Avocados



SUPPLY  
GOOD  
QUALITY  
GOOD

This week's projections call for only 40 Mil lbs. out of Mexico - a tier that will support the market staying near current pricing levels on fresh fruit. The industry is still cleaning up some excess inventory that was crossed in hopes of capturing additional Super Bowl demand, and the two-tiered market of aged inventory vs. fresh crossings continues – for now. With the MX pipeline refilling at an expected 20% less volume, excess inventories will dry up next week. Holding inventories in the US are down to 65.6 Mil lbs., which is a 9.7% reduction from last week – when inventories compiled into in the 70 Mil lb. range. Shipments continue to rise, a 20% increase over last week and will remain strong through the weekend. Post-Super Bowl it's leaning further toward the market maintaining current price levels – growers continue to have the leverage of being able to hold back harvest to let the fruit size up. There won't be much market relief until we have a few back-to-back weeks of volumes near the 60 Mil lb. range to drive pricing down.

### MARKET ALERT

## Bananas



SUPPLY  
GOOD  
QUALITY  
GOOD

Banana availability continues to be lower than desired. There continue to be random roadblocks creating a more difficult time getting the bananas to port. The results of last week's strike in GTM are being felt across the North and South. We are managing through the issues at a local DC level. Banana volume continues to be tight due to the cooler temperatures currently being experienced in the Tropics. While this is an issue every year what further complicates this this year is the presence of La Nina. La Nina is causing a lack of precipitation, and this causes humidity levels to drop which is needed to assist in the maturation of the banana. All customers will feel the effect but mostly in the color of the banana upon delivery.

## Berries



SUPPLY  
GOOD  
QUALITY  
FAIR

**Blackberries:** Prices for Blackberries are trending down this week. The market continues to be impacted by seasonal tight supplies. Black and Blueberries will take a back seat to Strawberries for the Valentine's Day holiday.

**Blueberries:** Prices for Blueberries are trending down this week. Suppliers are reporting that some ships are getting unloaded and that's helping to move more fruit to the marketplace. Look for steady supplies and prices for the next few weeks.

**Raspberries:** Prices for Raspberries are trending down this week. Supplies are picking up. Look for improved pricing after the Valentine's Day Holiday. Quality on Raspberries is good.

# MARKET OUTLOOK



**MARKET ALERT**

**Beans Green**



SUPPLY

FAIR

QUALITY

GOOD

**Green Beans ALERT:** Supplies on green bean are extremely tight out of Florida due to last week's freezing with no improvement expected until Spring. This will cause a huge challenge with Mexico volume taking on the East coast demands as well as dealing with colder weather and lack of labor.

**Snow Peas:** Snow peas continue to be light with fair quality.

**Broccoli**



SUPPLY

GOOD

QUALITY

GOOD

Supplies are good this week. Growers are reporting steady yields at time of harvest. Growers are expecting supplies to continue to remain steady as temperatures warm up in Yuma AZ. (F.O.B pricing for this week \$14.10 - \$15.10)

**MARKET ALERT**

**Brussels Sprouts**



SUPPLY

FAIR

QUALITY

GOOD

Supplies are looking better this week. Growers are reporting better yields this week. Quality is reported as good at this time. Expect for steady supplies this week. (F.O.B pricing for this week \$31.33 - \$33.65)

**MARKET ALERT**

**Carrots**



SUPPLY

POOR

QUALITY

GOOD

Demands exceeds supply. 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 are excellent.

**Cantaloupes**



SUPPLY

GOOD

QUALITY

GOOD

Fewer cantaloupe arrivals continue, and the market has finally started to move upward after remaining stagnant over the past few weeks due to poor weather and demand. We expect the next few weeks to be limited before we move into second cycle production from Guatemala later in the month. Sizing is trending to the larger fruit with mostly 9s and larger expected. Smaller sizes (12/15s) are expected to be very limited during this timeframe. External quality and brix levels in the 11-13% range.

**MARKET ALERT**

**Cauliflower**



SUPPLY

FAIR

QUALITY

GOOD

Supplies are light this week. Overall quality is reported as good, growers are reporting lighter yields. Growers are expecting supplies to be light for a few weeks. (F.O.B pricing for this week \$16.58 - \$17.98)

# MARKET OUTLOOK



## Celery



SUPPLY  
GOOD  
QUALITY  
GOOD

Supplies continue to be steady this week. Growers are reporting steady yields currently. Market might get a little snug when Mexico finishes up with its crop. (F.O.B pricing for this week \$13.05 - \$13.50)

**MARKET ALERT**

## Citrus



SUPPLY  
FAIR  
QUALITY  
FAIR

**Limes ALERT:** The market is on the rise as production declines and demand outpaces supply, which represents trends that are compatible with our seasonal timeline. Consistent rain forecasted this week in Mexico is expected to paralyze operations and impact crossings further. Offshore fruit was "activated" as a supplement for the lack of Mexican supplies and will continue to be present throughout the market. Large fruit is currently peaking, including approximately 50% of crossings consisting of 110's & 150's. Small fruit is scarce, with particularly high demand on 200's. Demand trends will dictate velocity of cost increase and further shifts. As availability declines, please plan supply in advance and be cognizant of frequent price changes.

**Lemons:** Lemon market and availability are currently steady. Peak sizing on 115/140 count fancy with limited 165 and smaller. Mexican lemons are being shipped into Texas with Nogales being done. California lemons are coming out of District 1 and 3.

**Oranges ALERT:** We are moving into the shortest Navel crop we have seen in several years. 88's and smaller are about to be extremely tight. Many shippers are planning to start with Valencia's to help with small fruit but will be leaving the whole summer in a demand exceeds supply issue. We could deal with this problem and have the toughest April – Oct we have had in long time.

**MARKET ALERT**

## Corn



SUPPLY  
FAIR  
QUALITY  
FAIR

Prices for Corn are mixed this week. Product out of Florida is trending down while Corn out of Mexico is trending slightly up. Looks for the usual wintertime tight supplies along with off season quality to continue as we move forward.

## Cucumbers



SUPPLY  
GOOD  
QUALITY  
FAIR

Cucumber prices are trending down this week. Production is coming out of Mexico and Honduras. Supplies are currently good. Suppliers are reporting good quality from Mexico and fair quality for product out of Honduras.

## Eggplant



SUPPLY  
GOOD  
QUALITY  
GOOD

Prices for Eggplant are trending up this week. Production in Florida was impacted by the recent cold weather as well as with rains. Production out of Mexico steady at current levels.



# MARKET OUTLOOK

**MARKET ALERT**

**Grapes**



SUPPLY  
SHORT  
QUALITY  
GOOD

Red Grape volumes continue to be less than desired, but it is picking up. The availability on greens is very low at this point. Over the next few weeks, we will see the grape market coming down due to the increased supply being sent in from Chile.

**Herbs**



SUPPLY  
GOOD  
QUALITY  
GOOD

**Cilantro:** Supplies are improving this week. Quality is reported as good for this week. Most growers will be shipping out of Yuma and Mexico next week. Warmer temperatures are helping the Cilantro plants and yields. (F.O.B pricing for this week \$13.50- \$16.55)

**Honeydews**



SUPPLY  
FAIR  
QUALITY  
GOOD

The honeydew market continues with two-tiered pricing. Shippers with Honduran supply have struggled with external quality selling at lower levels which has dragged the overall market down some even on better fruit. Sizing has been peaking on larger sizes (5s and larger) but we have seen a change in recent pack outs indicating some more smaller fruit should be coming next week.

**Iceberg**



SUPPLY  
GOOD  
QUALITY  
GOOD

Supplies continue to be good this week. Increased demand with Valentine's day this weekend. Quality and Weights will continue to be very good this week. Growers are expecting for steady supplies the next few weeks. (F.O.B pricing for this week \$10.63 - \$11.63)

**Leaf**



SUPPLY  
GOOD  
QUALITY  
GOOD

**Romaine:** Supplies continue to be light this week. Overall quality is currently fair. Weights will be on the lighter side until supplies improve. Expect some occasional outer leaf quality issues like fringe burn. Growers are expecting better supplies in the upcoming weeks. (Romaine pricing for this week \$10.26 - \$11.75) (Romaine Hearts pricing for this week \$15.06 - \$16.41)

**Green & Red Leaf Lettuce:** Supplies continue to be good this week. Growers are reporting good yields. Quality is reported as good with occasional fringe burn. Supplies will continue to remain steady for a few weeks. (F.O.B pricing for this week \$8.70 - \$9.75)

**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.

The mushroom industry continues with a shortage of labor, as well as cost inflation increases in raw materials. Specifically corrugated cardboard and packaging materials. Additionally, the price increases in freights nationally have greatly impacted cost to mushroom growers. Pricing on mushrooms must increase at this time due to Labor, Transportation, and packaging.

**MARKET ALERT**

**Onions**



SUPPLY  
FAIR  
QUALITY  
FAIR

Onions continue to get tighter as was anticipated. Markets is still very active on all sizes and colors. Reds are the tightest, but all colors are a demand exceeds supply without immediate relief in sight. Onions continue to get worse; demand exceeds supply is extreme. This is vastly affecting precut onions as well. Quality is bad and not lasting on the supply that is left either.

**MARKET ALERT**

**Onions Green**



SUPPLY  
FAIR  
QUALITY  
GOOD

Supplies have improved this week. Market pricing is starting to improve. Overall quality will only be fair at this time. Supplies coming from Mexico will remain steady the next few weeks. (F.O.B pricing for this week \$21.95 - \$25.95)

**Pears**



SUPPLY  
FAIR  
QUALITY  
FAIR

New crop Bartletts, Anjou, red pears and Bosc are now shipping out of Washington State and Oregon. The volume this year seems to be light with the fruit expecting to run a size or two smaller than last season. The large high-quality fruit will bring a premium this year and the prices will trend up over the next couple of months on them. Prices on Bartlett pears is rising with strong demand in the last few weeks. Most shippers will finish up with their Bartlett crop in February. Imported Bartletts will start to arrive in February to replace the domestic crop. With issues in the supply chain, it is possible there could be a gap in the supply of Bartletts.

**MARKET ALERT**

**Peppers Bell**



SUPPLY  
FAIR  
QUALITY  
GOOD

**ALERT on Red and Yellow Bell Peppers.** Prices for Green Bell Peppers are trending down this week. Prices for Yellow and Red Peppers are trending significantly up. Supplies of Peppers out of Florida are hit and miss after the freeze a couple week ago. Florida's crop will continue to be impacted for a while longer. Production out of Mexico is in good shape. Weather will continue to be a factor in Mexico too.

**Peppers Chili**



SUPPLY  
FAIR  
QUALITY  
GOOD

Prices for Chili Peppers are mixed this week with an upward bias. The cold weather along with the freeze a couple weeks ago in Florida has tightened up the market. Production out of Mexico is steady.

# MARKET OUTLOOK

## Pineapples



SUPPLY

GOOD

QUALITY

GOOD

Pineapple volume continue to be ok. The size profile is shifting towards the larger size due to great growing condition. 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. Potato market has stabilized on all sizes for now but it's a mixed profile depending on the region. Price remain much higher than average with reduced yields. Cold weather and snow are now playing a part in the northwest along with continued shortage of trucks and freight concerns. With the shortage on trucks, freights continue to be extremely high.

**MARKET ALERT**

## Squash



SUPPLY

FAIR

QUALITY

FAIR

Prices for Yellow Squash is trending up this week. Prices for Green Squash is trending down. Growers out of Florida & Mexico are currently reporting tight supplies on Yellow Squash along with quality challenges associated with weather. Green Zucchini Squash is plentiful and is attractively priced. Growers are expecting value pricing on Green Squash for the next couple weeks.

**MARKET ALERT**

## Strawberries



SUPPLY

FAIR

QUALITY

GOOD

Prices for Strawberries are stable this week. Demands for the Valentine's Day holiday is keeping a lid on availability and pricing. Look for good supplies and more attractive pricing after the holiday. Production out of Florida was impacted by cold weather and rain. Growers are looking for volumes to increase out of California as we move forward. Growers out of Mexico are reporting steady volumes.

## Tomatoes



SUPPLY

GOOD

QUALITY

GOOD

Prices for 20 lb Round Tomatoes are trending up this week. Prices for 25 lb Round Tomatoes, Grapes and Roma's are trending down. The freeze along with some wet weather in Florida tightened and slightly disrupted the markets. Growers out of Mexico are reporting good volumes and quality. Look for markets to stabilize in the weeks to come.

## Watermelons



SUPPLY

FAIR

QUALITY

GOOD

Offshore watermelons remain at high arrival over the next few weeks. Supplies will be light on the seedless and minis. Arizona and Texas are shipping watermelons from Southern Mexico. Markets have been holding steady. Quality has been excellent.



# MARKET OUTLOOK

## Truck rates staying hot despite more equipment, seasonal decrease in shipments

By **TOM KARST** February 10, 2022

### OVERVIEW:

- *Per-mile rates for refrigerated trucks are up 52%;*
- *The industry outlook on truck rates for the remainder of 2022 shows that rates will head even higher;*
- *DAT's long-term forecast for spot-refrigerated truck rates predicts rates will increase in a range from 5 cents to 30 cents a mile higher by the end of the year;*
- *As deliveries are rushed to retailers, shippers had a preference to be "on time" rather than "in full." That meant less-than-full truckloads were delivered in order to keep product moving;*
- *As compared to the previous, pre-pandemic times, spot market accounted for approx. 10% of freight. In November, spot market rates were sitting at about 25%;*
- *If fuel costs approach 30% of truckers' revenue, there is expected to be a rise in bankruptcies and exodus from the industry;*
- *Tight freight conditions are expected to persist through much of the year.*

The \$4.97 per-mile rate in early February for refrigerated trucks is up 52% from \$3.27 per mile the same time last year and up nearly 70% compared with \$2.93 per mile two years ago, according to the USDA.

Put another way, truck rates from Washington's Yakima Valley to New York in early February were in a range from \$11,000 to \$13,000 per truck, up from \$7,600 to \$8,600 the same time a year ago, according to the USDA. For each 40-pound carton of apples shipped from Washington to New York, the freight cost per carton rose from \$8.10 per carton a year ago to \$12 per carton now.

The higher transportation costs were reflected in apple pricing. Size 72s Washington red delicious apples were trading at New York's Hunts Point Wholesale Market at \$42 to \$45 per carton on Feb. 8, up from \$40 per carton the same time a year ago.

### OUTLOOK

The industry outlook on truck rates for the balance of 2022 reflects the belief by most that rates will head even higher.

Nearly half of those voting predicted truck prices would increase 16% or more in 2022 compared with last year.

### ROLLER COASTER

Since the pandemic began, it has been a wild ride for refrigerated truck rates.

Influential factors in the temperature-controlled market are the highly fragmented, temperature-controlled capacity base and the fact that temperature-controlled commodities are less shelf-stable than their dry counterparts, said Mark Petersen, vice president of transportation for C.H. Robinson, Eden Prairie, Minn.

"Delays and disruptions, which are more common in a disrupted market, lead to an immediate next-shipment impact, creating a wave of potential waste and inefficiency," Petersen said. "Compounding this issue, temperature-control carriers generally have lower trailer-to-tractor ratios than traditional dry fleets due to the higher cost of equipment." That means that any waste, such as detention or dwell time causes a direct impact to supply-and-demand imbalance, forcing an increase in market price, he said.

"This is, in part, why it's so important to have a partner with access to a broad network of carriers," Petersen said.

Elevated dry van rates are also a factor in refrigerated truck prices. "As dry van rates have increased, the market has drawn...."

**For full story:** <https://www.thepacker.com/news/transportation/truck-rates-staying-hot-despite-more-equipment-seasonal-decrease-shipments>

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](mailto: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

