



WEEK 19: May 4 - May 10, 2020

# MARKET OUTLOOK



Chinese Garlic

.....  
**Alert**  
.....

Coronavirus affecting exports



Tomatoes

.....  
**Alert**  
.....

Regional Transition and COVID-19



Asparagus

.....  
**Alert**  
.....

Regional Transition and COVID-19

## MARKET ALERTS



From Farm to Fork and Everything in Between®

## OVERVIEW

Overall the marketplace has been oversupplied due to drop in food service demand. There has been a small uptick of food service pulls across the nation and there will continue to be more and more as we move through May. As regions begin to open up in the next month or two, there should be some balance in supply against demand. The USDA has been working on programs to support growers and distributors by providing individual box programs around the nation. Please visit the link below to read more info on this USDA program.

Unfortunately, as uncertainties carry on longer and longer, growers have to react to potential new normal's and react with new supply forecasts which could add additional volatility to the marketplace. Overall, weather has been good to great in growing regions, helping with quality across the board. Yuma has officially ended and we are in full swing with wet veg in Salinas Valley, CA.

<https://www.ams.usda.gov/selling-food-to-usda/usda-food-box-distribution-program>

# Regional Weather Forecast

Highs

Lows

Oxnard, CA

No rain on the forecast. Partly cloudy and sunny next week.

Mid 70s

Upper 50s

Salinas, CA

No rain on the forecast. Partly cloudy and sunny next week.

Upper 60s

Low 50s

Huron, CA

Sunny and partly cloudy.

Low 90s

Mid 50s

Plant City, FL

Partly cloudy and sunny throughout the week.

Mid 80s

Low 60s

Waldo, FL

Sunny and partly cloudy.

Mid 80s

Low 60s

Idaho Falls, ID

Partly cloudy all week.

Mid 60s

Upper 30s

## Regional Transportation Report

National Diesel Average: **\$2.437**(wk 18)

2019 : **\$3.169**(wk 18)

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:**

**Central and South Florida have a slight shortage.**

# Weekly Market Changes

## Asparagus

**ALERT**



**Quality: GOOD Supply: BAD**

Mexico has switched growing regions and production appears to be picking up from it's two week lull. Grass is still on alert due to lack of flights available from Peru to the US with COVID-19 limiting movement. Anticipate markets to be short and price to elevate until MX can pick up the slack in three weeks and help out with limited Peru exports.

## Avocados



**Quality: GOOD Supply: GOOD**

Overall the market is stable but has seen some bumps due to COVID-19. We are seeing retail driving the market which leaves certain sizes long. Currently California product has been in good supply and should stay that way unless Mexico shuts down operations and supply drops drastically. 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: GOOD Supply: GOOD**

Blackberries and Raspberries are still strong out of Mexico and should continue to have a major share of the marketplace until domestic hits it's stride in the middle of May. Product harvest out of CA has begun but is limited. Blueberries have been strong on the East Coast from FL and GA, but did hit a small snag last week with storms hitting in GA. Out West blues are just beginning to see decent supply. Quality has been good across all three categories. We are seeing all three categories reach the bottom of the pricing trough with limited demand.

## Broccoli



**Quality: GOOD Supply: GOOD**

Steady supplies continue with Broccoli for this week. Production is coming from Salinas, CA and Santa Maria, CA. Growers are reporting good quality at this time. Good supplies are expected going into next week.

## Brussels Sprouts



**Quality: FAIR Supply: GOOD**

Supplies are holding steady but there is expectation for supplies to decrease over the coming weeks. This will likely bump up the price in the marketplace. Quality has been fair to good with some discoloration and slight insect damage.

# Weekly Market Changes

## Cantaloupe

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



Supply is available and in good quality but the demand has dropped significantly with food service being limited. Over the past week, there has been a slight uptick in food service which has helped the melon markets. Brix levels and exterior have been optimal. Will be starting up with domestic crop in AZ in about two weeks.

## Cauliflower

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



Supplies will continue steady with Cauliflower for this week. Production is coming from Salinas, CA and Santa Maria, CA. Good quality is being reported by multiple growers at this time. Good supplies are expected going into next week.

## Celery

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



Supplies continue to be steady with Celery this week. Production is coming from Oxnard, CA and Santa Maria. Good quality is being reported by multiple growers. Good supplies are expected to continue for next week.

## Corn

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



The Corn markets remain stable with great supplies and quality. Growers are reporting that they reduced plantings by about 25% due to the COVID-19. Expect a bit tighter than normal supplies around the Memorial Day and 4th of July holidays.

## Cucumbers

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



Pricing and quality is good on cucumbers this week. The markets are expected to remain steady. Production out of Georgia is just around the corner.

## Eggplant

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



Costing for Eggplant is still elevated and is expected to remain so for the next few weeks. There is some pressure from retail chain stores as volumes remain strong for them.

## Chinese Garlic

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

**ALERT**



Chinese garlic is on alert due to Coronavirus affecting labor and also ports allowing product out of China. We anticipate this to remain and also continue to add pressure on garlic prices until the virus is contained. The overall outlook continues to look worse as more and more time passes and import product is cut short.

# Weekly Market Changes

## Grapes



**Quality: GOOD Supply: GOOD**

Overall both red and green grapes are in good shape this week and are looking to stay in that condition moving into next week as well. Supply on each is backed up with solid inventory and quality has been awesome. Demand has dropped which should put more downward pressure on market prices. We have seen some slight increase in demand but still nothing to lift prices.

## Honeydew



**Quality: GOOD Supply: GOOD**

Supply is available and in good quality but the demand has dropped significantly with food service being limited. Over the past week, there has been a slight uptick in food service which has helped the melon markets. Brix levels and exterior have been optimal. Will be starting up with domestic crop in AZ in about twoweeks.

## Iceberg



**Quality: GOOD Supply: GOOD**

Steady supplies continue with Lettuce for this week. Production is coming from Salinas Valley, CA and Santa Maria, CA. Good quality and good weights are being reported by multiple growers. Good supplies are expected to continue for next week.

## Romaine Leaf



**Quality: GOOD Supply: GOOD**

Supplies continue to be steady with Romaine for this week. Production is coming from Salinas, CA and Santa Maria. Good quality is being reported by multiple growers. Good supplies are expected to continue for next week.

## Red and Green Leaf



**Quality: GOOD Supply: GOOD**

Supply and quality have been good on both colors. Not seeing any issues on supply or quality at this time.

## 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: GOOD Supply: GOOD**

Lemons have been steady over the past month but have crept back up in the last week. As we move through the season on the tail end, we will see sizing gaps and especially more pressure on larger fruit as retailers look to fill their shelves. We don't anticipate seeing a huge climb in the next few weeks, markets should remain slightly lower than normal due to lower demand.

# Weekly Market Changes

## Limes



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

Still seeing good supply on product crossing the border. FOB's dropped significantly a few weeks ago with a flush of inventory crossing the border. This week we saw another slight uptick in price, but should continue to see a steady supply against demand.

## Onions



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

The onion market is quite low currently as it dropped over the past few weeks. Not seeing a huge change from last week, but we are still at a low point in the market. There is still a big surplus of product in the marketplace keeping price near the floor. We hope to see this balance out in the next month as food service tries to get back in the game.

## 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:** GOOD **Supply:** GOOD

Still dealing with a lopsided marketplace with limited pulls from foodservice. Very little change in market FOB's this week on oranges but anticipate some increase over the coming weeks. Valencia's begin in May/June.

## Peppers, Bell **Quality:** GOOD **Supply:** FAIR



The Green Pepper market remains elevated this week. Growers are looking for higher prices for the next few weeks. Costing on Yellow and Red peppers is working higher too. We understand the demands at retail chain store level is still high.

## Pineapple **Quality:** GOOD **Supply:** GOOD



Good supply versus how much demand is currently in the marketplace. Expect to see solid product and good supply for the next few weeks with sizing on the larger side.

## Potatoes **Quality:** GOOD **Supply:** GOOD



The potato market has been in an extreme state over the past few months with limited availability and rough quality. The previous three weeks showed the first major change in price and availability with demand falling in the market place. We have seen about a 50 percent drop in FOB price over the past few weeks and now expect to see a more balanced price in the coming weeks. Similar FOB's from last week to this week, inching down maybe \$.50 at most.

# Weekly Market Changes

**Summer Squash**    Quality: **GOOD**    Supply: **GOOD**



Prices for Green Squash is still at attractive levels. Yellow Squash pricing is working up a bit but it's still a value.

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



The strawberry growing regions are headed into a strong harvest period with good weather on the forecast in the growing regions. The drop in demand in the coming weeks will leave suppliers long and keep the price low on strawberries. Quality has been excellent and Salinas/Watsonville have begun but still a bulk of the product is coming from Oxnard and Santa Maria regions.

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

**ALERT**



Supplies for Tomatoes continue to be tight at this time. Medium sized fruit is extremely difficult to source right now. Costing out of Mexico and Florida is escalated & moved up again this week. Growers are expecting higher cost next week too.

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



Supplies have been picking up steam over this past week but in comparison to previous years harvests, there is still less volume in the marketplace. Import crop out of MX has been down which has created the off-balance market. Expect to see better volume as domestic crop improves and volume harvests begin.

## PMA, PHA Provide Produce Boxes to Families During Pandemic

The Packer April 28, 2020

The Produce Marketing Association and Partnership for a Healthier America introduced the COVID-19 Fresh Food Fund to distribute fresh produce to people in need during the pandemic.

The two associations kicked off the fund at the Partnership for America's (PHA) annual summit (virtual this year) on April 28, according to a news release. Through the fund, individuals can donate for the boxes — \$15 each — on a PHA webpage and the organizations will find companies to supply produce and charitable organizations to distribute the boxes.

A \$150,000 donation from Novo Nordisk and an anonymous donor will kick off the program in Denver, where the 22-pound boxes of produce will be distributed.

"The unfathomable gap exposed by COVID-19 between a glut of gorgeous produce and millions of furloughed workers and people in need — has to, and will be addressed," Nancy Roman, president and CEO of PHA, said in the release.

Brighter Bites, which distributes fresh produce and nutrition education to students in Houston, Dallas, Austin, Texas, New York City, Washington, D.C., and Southwest Florida, is one of the organizations involved, according to the release.

"This is an exciting opportunity for our industry and PMA to make a measurable difference in the lives of those who need our healthful and nutritious products," PMA CEO Cathy Burns said in an April 28 notice to members. "As this program takes root, it is our hope it will inspire leaders around the world to follow suit.

"The boxes join a growing number of similar offerings by associations and companies. The biggest effort is the U.S. Department of Agriculture's Farmers to Families Food Box Program, which is awarding \$600 million over six months for companies to source and package produce for charitable distributions.

"Success will require many players to add to and build on the government's distribution," Roman said in the release. "This is a journey for the long haul.

"Brighter Bites CEO Rich Dachman said his organization is able to provide expertise on building healthy communities in this time of need. As with Brighter Bites, the Fresh Food Fund will distribute educational information and tools to help families integrate fresh produce into their diets long-term.

"In addition to our distribution network that can successfully deliver fresh fruits and vegetables and our blueprint of successful consumer education and outreach tools, we also have data that shows how interventions like these can lead to long-term changes in consumer eating habits and behaviors — meaning more families are getting the nutritious, healthy food they need now and are continuing to eat fresh produce in the future," Dachman said in the release.

For more information on how growers, shippers and others in the supply chain are finding new buyers during the pandemic, see The Packer's COVID-10 webpage.