



WEEK 21: May 18 - May 24 , 2020

MARKET OUTLOOK



Bell Peppers

Alert

Growing Region Transition



Chinese Garlic

Alert

Coronavirus affecting exports



Carrot Sticks

Alert

COVID-19 Concern



Brussels Sprouts

Alert

Quality Issues



Tomatoes

Alert

Regional Transition and COVID-19



Asparagus

Alert

Regional Transition and COVID-19

MARKET ALERTS

OVERVIEW

The overall outlook has been favorable for most produce categories. There has been a few categories listed above that have taken a hit due to COVID-19 circumstances and growing region transitions.

Most markets have bottomed out and are now adapting to the changes in demand. Food service pulls are beginning to see some life again after a two month lull. This additional movement will help to balance the marketplace as California growing regions hit their peak growing season. Wet veg has had an excellent transition and had no shortages this season. Tomatoes are on alert, especially Rounds, as growing regions are transitioning and supply has had a hard time keeping up with retail demand.

Good weather is on the forecast, and for the most part, we are seeing some stable conditions which should help to finish off a strong May growing season. Expect some slight bumps as the markets react to restaurant and food service customers reopening and distributors trying to manage changes in weekly demand. Please stay in constant communication with your partners as we navigate these unknown periods.



From Farm to Fork and Everything in Between®

Regional Weather Forecast

Highs

Lows

Oxnard, CA

Partly cloudy and sunny next week with potential for rain on Monday.

Mid 60s

Mid 50s

Salinas, CA

Partly cloudy and sunny next week with potential for rain on Monday.

Mid 60s

Low 50s

Huron, CA

Sunny and partly cloudy. Cold front to start the week followed by warm weather in the 90s.

Mid 80s

Mid 50s

Watsonville, CA

Partly cloudy and sunny next week with potential for rain on Sunday and Monday.

Upper 60s

Low 50s

Alma, GA

Partly cloudy and sunny with chance of rain on Tuesday.

Mid 80s

Low 60s

Idaho Falls, ID

Partly cloudy all week with chance of rain Wed.

Mid 60s

Mid 40s

Regional Transportation Report

National Diesel Average: **\$2.394**(wk 20)

2019 : **\$3.160**(wk 20)

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:

Slight shortage in SoCal, Watsonville, and Central & South Florida.

Weekly Market Changes

Asparagus

ALERT



Quality: GOOD Supply: BAD

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 two weeks and help out with limited Peru exports. Markets softened slightly this week and should see an uptick in volume heading into next week.

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. 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 next couple of weeks. Product harvest out of CA has begun and is picking up steam. Blueberries have been strong on the East Coast from FL and 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

Supplies with Broccoli continue to be very good. The current harvest 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

ALERT



Quality: BAD Supply: BAD

Supplies are limited and we have seen FOB's increase over the past two weeks. Quality has been fair with some discoloration and slight insect damage. We anticipate this to continue in the coming weeks.

Cantaloupe



Quality: GOOD Supply: GOOD

Supply is available and in good quality. 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 and sizing is running on the larger side. Domestic crop has begun in a small way but will ramp up into larger volume after Memorial Day.

Weekly Market Changes

Carrot Sticks

ALERT



Quality: GOOD **Supply:** BAD

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, as well as drop in demand, has put this item on alert heading into next week.

Cauliflower



Quality: GOOD **Supply:** GOOD

Steady supplies continue with Cauliflower this week. The current harvest 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 with Celery continue to be steady. The current harvest is coming from Oxnard CA and Santa Maria. Waiting for Salinas crop to start the first week of June. Good quality is being reported by multiple growers. Good supplies are expected to continue for next week.

Corn



Quality: GOOD **Supply:** GOOD

Corn prices are up this week as the Memorial holiday demands start to come in. Product is out of Bell Glade FL at this time. Georgia is starting up next week. Production out of California remains very tight this week. Growers are reporting excellent quality.

Cucumbers



Quality: GOOD **Supply:** GOOD

Good supplies and pricing for cucumbers continue this week. Growers are reporting nice quality for crops out of the East. The market is expected to remain steady for the next few weeks.

Eggplant



Quality: GOOD **Supply:** FAIR

The Eggplant market remains strong this week. Production out of California is ramping up and should help costing get in line. Production out of the East is limited at this time and expected to remain the same for the next couple weeks.

Chinese Garlic

ALERT



Quality: GOOD **Supply:** BAD

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. 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 and sizing is running on the larger side. Domestic crop has begun in a small way but will ramp up into larger volume after Memorial Day.

Iceberg



Quality: GOOD Supply: GOOD

Steady supplies continue with Iceberg Lettuce this week. The current harvest is coming from Salinas 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 with Romaine and Romaine hearts continue to be steady for this week. The current harvest is coming from Salinas CA and Santa Maria CA. 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 May, smaller size fruit is becoming limited and will remain that way until Chile begins in mid-June. 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. Load volume crossing is up over 30 percent versus the 5 year average at this time of year. 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. Currently at the 5 year average in regard to weekly load volume available. Product has moved to CA crop.

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: FAIR

Still dealing with a lopsided marketplace with limited pulls from food service. We have seen some pressure on price over the past two weeks and are beginning to see certain sizes more limited and increase in price. Valencia's began this week and will continue throughout the summer period. Navels will stay available throughout the summer but trend on the larger size until volumes return in Mid October.

Peppers, Bell **Quality: GOOD Supply: BAD**

ALERT



Pricing for all Bell Peppers is elevated this week. Demand exceeds supplies out of Mexico and the East Coast. The pepper market is expected to remain tight for the next week or two. Production out of Georgia is just starting and volumes are expected to pick up in the weeks to come.

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.

Weekly Market Changes

Potatoes



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

The potato market has stabilized over the past month as we have seen weaker pulls across the country. We anticipate this to remain balanced as we progress through the next month. Not much change from last week to this week and we are seeing overall good quality.

Summer Squash



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

Green and Yellow Squash is still running at reasonable costs right now. Growers out of the East Coast are reporting some scaring. The market is expected to remain steady to lower in the next few weeks.

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. Quality has been excellent and Salinas/Watsonville have begun production but we are still seeing a bulk of the product coming out of Santa Maria and Oxnard.

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

Tomatoes

ALERT



Supplies for Round Tomatoes remain tight at this time. Crops are in transition and retail demands have been strong due to higher than normal sales associated with the COVID-19. Prices are elevated on all round tomatoes but they did come off a bit this week. Growers are expecting the cost on rounds to be elevated for the next 3 to 4 weeks. Availability for Roma's remains favorable right now. Prices came down again this week and costs are much more reasonable compared to rounds. Substituting Romas for Rounds will help out over the next week in order to navigate the alert on Rounds.

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.

Contract recipients start work on Farmers to Families Boxes

The Packer May 15, 2020

Companies whose bids for the U.S. Department of Agriculture's Farmers to Families Food Box were accepted were getting to work the week of May 11 to pack and distribute the boxes.

The \$1.22 billion awarded through the fresh produce, dairy and cooked meat box program seeks to support growers and companies struggling to find outlets during the COVID-19 pandemic, as well as food banks that have a greater demand to feed families.

Altafresh, doing business as Chelan Fresh Marketing, received a \$5.93 million contract supplying produce boxes in the West, Southwest, Midwest, Southeast, Mountain Plains and Mid-Atlantic regions.

The company plans to work with a potato and onion shipper, filling boxes with eight pounds of potatoes, three pounds of onions and nine pounds of apples, said Mac Riggan, Chelan Fresh director of marketing.

Deliveries will begin the week of May 18, with the boxes packed at a Chelan Fresh facility. "One of the biggest challenges is getting the trucking put together to go to some different places you don't normally go to," he said. "It is not like going to a Walmart or Costco distribution center."

A consulting firm that helped companies with their bids said the USDA was "general" in the request for proposals, with no specs on the type, grade, quantity of produce or the size/weight of the box.

"There was a lot of leeway for offerors to specify what they would offer, in what geographic location, to what nonprofits, and on what delivery schedule," according to the company representative.

"USDA wanted to leave the specifics to the companies and allow them to use existing partnerships and supply chain resources as well as develop new relationships with nonprofits and growers."

Tomato company DiMare Fresh will use distribution facilities in Dallas-Fort Worth and Houston to prepare boxes for distribution to nonprofits in the Southwest, according to the company, which received a \$24.36 million contract.

The direct store delivery model will be a seamless transition for distribution, according to a news release from the company. DiMare Fresh has longstanding relationships with the Houston Food Bank, North Texas Food Bank, Community Table and Brighter Bites, according to a news release.

"Aside from helping those in need of fresh food in the communities we serve, we're also able to help other growers move their surplus of fresh U.S. produce," Tony DiMare, an owner of the family company, said in the release.

EKK Food Group, which will be providing 10-pound boxes of fruit (oranges and two apple varieties) to three Los Angeles area agencies, has developed a partnership with Pacific Unlimited to deliver and distribute the boxes in Guam.

"Giving back to our community is a core value at EKK," partner Alex Ersoff said in an e-mail. "We are thrilled to be providing fresh fruit to over 26,000 families a week. USDA's program also allows us to help farmers and growers ensure their crops make it to those who need it most."

Riggan said Chelan Fresh is going outside of its normal boundaries, working further "downstream" in the supply chain. "We bid it at a price that we could do it for without losing money; we thought it will move fruit and maybe it'll help us get better pricing on the higher-color apples," he said.

Jennifer Boone, director of sourcing for Brighter Bites, said DiMare's donations will allow it to expand its reach more than 30%