



WEEK 22: May 31 - June 06, 2021

MARKET OUTLOOK

Regional Weather Update :

Oxnard, CA: Sunny; mid 60s with lows in the mid 50s.

Salinas, CA: Sunny skies with highs ranging from the low 70s to lows in the low to mid 50s.

Yuma, AZ: Sunny with highs in the 100s lows in the high 60s. To low 70s

Immokalee, FL: 50% chance of rain for most of the week; highs in the 90s and lows in the mid 60s.

Idaho Falls, ID: Partly cloudy skies with highs in the mid 70s to low 80s and lows in the mid 40s.

Transportation :

National Diesel Average : \$3.253 **Compared to Last Year:** \$2.390

Shortages : Seeing high freight rates, **extreme** truck shortages remain in AZ, CA, CO, FL, NC, & MI—slight shortage in Central WI, GA, ID, Lower Rio Grande Valley, NY, OR, WA.

MARKET ALERT

Brussel Sprouts

Grapes (Green)

Honeydews

Mushrooms

Tomatoes (Cherry and Grape)



MARKET OUTLOOK

Apples



SUPPLY
FAIR
QUALITY
FAIR

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.

Asparagus



SUPPLY
FAIR
QUALITY
FAIR

Production in Southern Baja remains the same. The Guanajuato region should be starting in 7 -10 days. Volume from Peru remains the same and this trend should continue for another two weeks. We will then see a drop in volume due to their winter season starting. Markets are less active this week with Memorial Day Monday, 5/31.

Avocados



SUPPLY
GOOD
QUALITY
GOOD

Since last week's update things have changed significantly in that volume that was reducing somewhat is now surging and in excess of 71 MM lbs. as of yesterday. Demand has been well below incoming volumes and now we are seeing small amounts of Colombian fruit in the east, while the first significant shipments from Peru have arrived. Avocado volume into the US market, last week saw Mexico and California contributing 46.9 and 11.6 million pounds respectively. To begin this week, harvest is taking place at a much lower rate than last. While this is welcome in the current oversupply situation, it is far too little to reconcile the inventory vs demand imbalance that currently exists. Oil content in fruit remains very high at nearly 36%. This makes for outstanding eating quality but greatly reduces shelf life and demands the fruit keep moving efficiently through the system.

Bananas



SUPPLY
FAIR
QUALITY
FAIR

Banana sales continue to be up. The foodservice industry is experiencing the reopening of the states and we are working hard to have proper color in our DCs. Port delays in Hueneme have caused further issues on the West Coast but this is just two weeks from being corrected.

Berries



SUPPLY
FAIR
QUALITY
FAIR

Blackberries : For the last weeks in May, Blackberries will be in a transitioning between the US and MX, and we expect the US regions to increase supply over the next few weeks

Blueberries : Mexico and Central Valley, CA: Product is good CA: quality is good. Volume in Mexico continues to trend above estimates as the Spring crop winds and the volume out of Central Valley will increase over the next couple of weeks and peak production starts.

Raspberries : Some overripe and leaking fruit is being seen due to continued hot temperatures, drought conditions, and water shortages in Mexico. Crews are working hard to produce good quality packs. Production will increase in mid-June and remain steady through the summer

MARKET OUTLOOK

Beans, Green



SUPPLY

GOOD

QUALITY

GOOD

This market remains stable. Seeing good quality and demand.

Broccoli



SUPPLY

GOOD

QUALITY

GOOD

Supplies continue to be steady this week. Demand is good this week. Quality is excellent on Broccoli, supplies should remain steady for a few weeks. (F.O.B pricing for this week \$7.11 - \$8.01)

MARKET ALERT

Brussels Sprouts



SUPPLY

FAIR

QUALITY

FAIR

Supplies will continue to be light this week. Demand is average for this week, quality is only fair at this time. Supplies will be short especially on the larger size. (F.O.B pricing for this week \$27.00 - \$28.65)

Carrots



SUPPLY

FAIR

QUALITY

GOOD

Quality is good, still seeing limited supply on jumbos.

Cauliflower



SUPPLY

GOOD

QUALITY

GOOD

Supplies continue to be good this week. Demand has decreased this week. Quality on Cauliflower is excellent, supplies should remain steady for a few weeks. (F.O.B pricing for this week \$8.55 - \$9.05)

Cantaloupes



SUPPLY

FAIR

QUALITY

FAIR

Cantaloupe production has shown a good range sizes to this point. Weather forecasts should put temperatures at ideal levels to hopefully maintain the current range of sizes. Early reports on internal quality have shown solid brix levels in the 12-15% range.

MARKET OUTLOOK



Celery



SUPPLY

FAIR

QUALITY

FAIR

Supplies will be light this week. Celery continues to be harvested in Oxnard CA and Santa Maria CA. Demand is also light this week. Quality will be fair as we are dealing with some seeder. Supplies are expected to remain steady for a few weeks. (F.O.B pricing for this week \$7.43 - \$8.10)

Corn



SUPPLY

GOOD

QUALITY

GOOD

Great volume, excellent quality out of the East and West. Yellow and white varieties coming out of Coachella with excellent flavor.

Value Item!!

Cucumbers



SUPPLY

FAIR

QUALITY

GOOD

South Georgia is now full production and we are hoping that to see growers further north come online in the next week or two. The heat in Georgia could cause some quality issues. The Clinton NC area will be starting production at the end of next week and are looking good and will add additional supply during the season.

Eggplant



SUPPLY

FAIR

QUALITY

FAIR

Plant City volume has picked back up after last week's lull and availability is adequate. Quality varies by the field if they are harvested from a older or newer field, but there is nice fruit available. In the West, Mainland Mexico will wrap up production over the coming weekend. Meanwhile, the California desert has steady volume and is providing adequate supply. The Fresno area should get up and running over the next few days.

MARKET ALERT

Grapes



SUPPLY

FAIR

QUALITY

FAIR

The Import Grape season is OVER. The Mexican grape market is showing pretty high prices but will come down here within the next week or so. Market continue to decrease. Mexico continues to experience heavy rains this week delaying the harvest process and causing quality issues on the fruit. Product will take around 3-4 days to start showing quality issues. With the excess of rain and high temperatures shelf life will be affected, we will continue to rest the fruit for a longer period of time to avoid this issues. Weather permitted, we should see more product crossing to the US and prices decreasing.

MARKET ALERT

Honeydews



SUPPLY

FAIR

QUALITY

FAIR

Honeydew supplies remains very low on both domestic melons and from Mexico. Honeydew availability could be an issue throughout the Arizona season over the next 4-5 weeks if Nogales crossings do not increase. As with the cantaloupe there has so far been a nice mix of sizing but just not much volume.

MARKET OUTLOOK



Iceberg



SUPPLY
GOOD
QUALITY
GOOD

Supplies continue to be excellent this week from Salinas CA. Demand for lettuce is good this week. Overall quality is good and weights are good this week. Supplies should remain steady for a few weeks.

Leaf



SUPPLY
GOOD
QUALITY
FAIR to
GOOD

Romaine: Supplies continue to be excellent this week. Demand has declined for Romaine lettuce. Quality is only fair at this time, experiencing some light fringe burn this week. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$7.05 - \$8.00)
Green Leaf/ Red Leaf/ Butter (Boston) Lettuce: Supplies continue to be very good this week. Demand continues to be light this week, quality on Green and Red leaf is very good. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$7.05 - \$7.85)
Tender Leaf: Supplies continue to be good this week. Demand is steady on tender leaf, quality is good for this week. Supplies should remain steady for a few weeks. (F.O.B pricing for this week \$4.25 - \$4.75)

Lemons & Limes



SUPPLY
FAIR
QUALITY
FAIR

LIMES: The lime market is continuing to improve, particularly on the smaller sizes; however, supply remains short on larger sizes. We recommend subbing with 200s when possible due to short supply on 110s, 150s and at times 175s. We expect to see short supply on larger fruit through June. Competitive offerings and good quality on small fruit across the board.

LEMONS: Fancy lemons are getting tight, so demand turning to choice fruit. Overall, lemons are going to be short and market to continue to rise in the coming weeks.

MARKET ALERT

Mushrooms



SUPPLY
FAIR
QUALITY
GOOD

The mushroom industry is enduring a shortage of labor as well as cost inflation increases in materials, specifically corrugated cardboard increases. 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.

Onions



SUPPLY
GOOD
QUALITY
GOOD

Onions are steady rolling out west; seeing good quality and demand. Markets in CA are very stable with yellows \$7-10 per size, reds around \$9 and whites \$11-12. Seeing good demand.

MARKET OUTLOOK

Onions, Green



SUPPLY

GOOD

QUALITY

GOOD

Supplies are excellent this week. Demand is better for Green Onions this week. Quality remains good this week, supplies should remain steady for a few weeks. (F.O.B pricing for this week \$9.10 - \$10.45)

Oranges



SUPPLY

FAIR

QUALITY

FAIR

The pipeline is starting to flow, excess inventories are gone. Most of the new fruit is on medium and big sizes (72/56s/48s). Small sizes (138/113) starting to be limited and will be for the rest of the season.

Pears



SUPPLY

FAIR

QUALITY

FAIR

Pears are reaching the end of the season out of WA. Some varieties available out of CA but small sizes very limited.

Peppers, Bell



SUPPLY

FAIR

QUALITY

FAIR

Green Peppers: East Coast bell volume has slowed as Plant City is winding down but will start to pick up as more Georgia grower come online. Pricing to stay steady

Red and Yellow Peppers: The colored bell pepper situation remains status quo availability is adequate despite some transitioning. Central Mexico will have improved after the 2nd or 3rd week in June.

Peppers, Chili



SUPPLY

GOOD

QUALITY

GOOD

Plant City has come on with stronger volumes of jalapenos, with other varieties holding steady in a light to moderate mode. We've also seen a few early jalapenos from Georgia so far and should see more volume and other varieties over the next few weeks. Mainland Mexico will wrap up their season over the next few weeks and the quality of the chilies is not holding up, particularly on poblanos and tomatillos. Baja Mexico is picking up in production and has really good quality chilies so we won't see a gap during the transition.

Pineapples



SUPPLY

FAIR

QUALITY

GOOD

Volumes have finally started to increase. Quality is good and supply will be really good for the foreseeable future.

MARKET OUTLOOK



Potatoes

SUPPLY

GOOD



QUALITY

GOOD

As normal for this time of the year, markets continue to increase \$0.50 to \$1.50 on bigger spuds this week. F.O.B.s are at \$15 in some reports, while the majority is hovering \$12-15. Small spuds are sitting tight at \$6-8. Demand remains steady and no quality concerns at this time.

Squash

SUPPLY

GOOD



QUALITY

GOOD

Prices for Yellow and Green Squash are steady in the East and trending down in the West. Plant City is starting to wind down and Georgia is in it's peak there is plenty of product on the market. Overall quality is good but with some scuffing on yellow squash. Volume will continue to increase out of the West over the next several weeks. This could provide some possible promotional opportunities.

Strawberries

SUPPLY

GOOD



QUALITY

GOOD

Strawberries out of Santa Maria, Watsonville, and Salinas regions are good in size, shape, color and taste. Production in the Santa Maria region will remain steady over the next few week. In the Watsonville and Salinas production is continuing to build as the peak season is slated for the mid-to-end of June.

MARKET ALERT

Tomatoes

SUPPLY

FAIR



QUALITY

FAIR

Round markets in Florida are up a bit from last week with adequate supplies and light demand. Nogales markets are also up a tad with good demand and good supplies. Roma markets are steady out West as demand remains weak. Florida Romas moved up slightly due to low volumes. Cherry & Grape supplies in the East and West are light causing the markets to move higher.

Watermelons

SUPPLY

GOOD



QUALITY

GOOD

With decreasing volume over the last seven days from Mexico, FL, TX, AZ, and CA (down 18.2% verses the average) have caused pricing to tick upwards from the recent lows but are still inline with the averages.



MARKET OUTLOOK

Mexican potato industry might be putting up roadblocks

US-Mexico potato battle is not over yet

Source: idahostatejournal.com

There was quite a lot of excitement on April 28, when US potato growers heard the decision by the Mexican Supreme Court to open up that nation to fresh potato exports from the United States. But this has now died down somewhat. Leaders of the Idaho and US potato industries suspect that the group that represents Mexico's potato industry could be attempting to throw up a roadblock that could slow down or potentially stop the importation of fresh US potatoes into Mexico.

Mexico's Supreme Court ruled 5-0 April 28 to overturn a 2017 decision that prevented the Mexican federal government from implementing regulations to allow for the importation of fresh US potatoes throughout the entire country.

Fresh potatoes from the US are currently only allowed within a 16-mile area along the US-Mexico border. Gaining access for fresh potatoes to all of Mexico, which has a population of 130 million, has been one of the US potato industry's top priorities for more than two decades.

Shortly after the unanimous ruling by Mexico's Supreme Court, American Falls potato farmer Klaren Koopman said the news was exciting but he was also worried that Mexico's potato industry would find another way to delay opening up the country to fresh potato exports from the US.

Fears by Koopman and other US potato growers that Mexico's spud industry would find another way to tilt the battle in their favor, appear to have materialized or at least begun to.

During the Idaho Potato Commission's regular monthly meeting May 19, industry leaders announced that the National Confederation of Potato Growers of Mexico (CONPAPA) reached an agreement with the Mexican Supreme Court that will result in half of the samples taken from fresh US potato shipments being sent to a laboratory selected by CONPAPA to be tested. The other half will go to a government-run lab.

That means CONPAPA, which competes against the US potato industry, will have a direct hand in inspecting US potato imports and that is deeply troubling to members of the United States' potato industry.

<https://www.freshplaza.com/article/9324206/us-mexico-potato-battle-is-not-over-yet/>

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

