



WEATHER UPDATE

Salinas— Sunny to partly cloudy next week. Highs in the 80s and lows in the upper 50s. **Oxnard**— Sunny to partly cloudy next week with highs in the mid-70s and lows in the 60s. **Mexico (Culiacan)**— Cloudy next week with chances of thunderstorms throughout the week. Highs in the upper 90s and lows in the mid-70s. **Florida, Southern**— Cloudy with chances of thunderstorms throughout the entire week. Highs in the lower 90s and lows in the mid-70s. **Idaho**— Sunny to partly cloudy next week. Highs in the upper 80s and lows in the mid-40s.

TRANSPORTATION

The National Diesel Average has been recorded at \$2.994 down \$0.017 a gal from last week and down \$0.258 gal from last year. 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. Trucks are in good supply in most of the country, however there are slight shortages in Delaware, Maryland, Eastern Shore Virginia, SW Indiana, & SE Illinois.**

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MARKET ALERT

ASPARAGUS
BRUSSELS SPROUTS
CARROTS
CILANTRO
COLORED BELL PEPPERS
LIMES
POTATOES
ROMAINE HEARTS
SWEET POTATOES

COMMODITIES ON THE RADAR:

Pineapples



MARKET OUTLOOK

Apples



Washington had a shorter crop during the 2018 season than in 2017 – an estimated 117 million 40-pound boxes compared to 133 million boxes -- said Toni Lynn Adams, communications outreach coordinator for the Washington Apple Commission. “We can expect some increased volume and a solid crop moving into the new season,” she said in late June. Red delicious, gala, golden delicious, granny smith, Pink Lady, Honeycrisp and fuji are the top sellers for the data.



Asparagus



The market is steady from last week. Markets remain high & tight especially on the larger grass which is highly affecting all sizes as customers start flexing to compensate. **Prorates are still in effect** as markets in the \$30s & \$40s with terminal markets. Market touching \$50. This is industry wide & expected to last another few weeks. Air freight has also dramatically increased which has had an impact on costs as well. Mexico’s volumes are low, driving demand to Peru. Inclement weather in Peru has reduced supplies. Quality is fair.



Avocados



Markets are fairly steady with some strength in smaller fruit. The size curve has shifted from the 60’s and smaller being heavy, to 40’s and 48’s are now the heavy sizes. Demand is steady, as promotions begin for Labor day. Peru will be finishing up over the next couple of weeks, the size curve is still heavy to 48’s and larger, and some shippers are finishing early. California is finished picking for the most part and shippers are cleaning up what they have left. #2 fruit in Mexico is still light, and in some cases #1 fruit is being substituted.



Bananas



Banana market remains steady as we approach fall. There is good demand with good volume. No quality issues have been reported.



Berries



Blackberries are in better supplies this week. As the new crop out of the West Coast is helping to fill the demand. Mexico fruit is beginning to pick up in numbers as we approach September. Expect the market to remain steady through this week.

Blueberries continue to be available out of the Pacific NW, CA, MI, & NC. The market remains steady with some shippers offering deals for volume orders. Quality has been good. Mexico should begin production in a few weeks.

Raspberries are in better supplies this week as we see West Coast numbers slightly up accompanied by the crossing of additional fruit coming out of Mexico. Expect the market to remain steady with slightly lower overtones as we move into the weekend.

MARKET OUTLOOK

Broccoli



Good supplies on broccoli this week. Markets is expected to stay steady for next week. Good quality has been reported at this time.

Brussels Sprouts



Supplies continue to be very limited this week. Harvest yields are coming in lower than expected. Markets are expected to be higher going into next week. Some growers are reporting some quality issues.

Cauliflower



Supplies on cauliflower are good this week. Markets is expected to stay steady for the next week. Good quality has been reported at this time.

Cantaloupes



Increased harvests and lower demand have caused the cantaloupe market to settle over the past week on the larger sizes. Volume is peaking currently on 9s with a decent percentage of 12ct being harvested daily. Quality is at optimum levels with a beautiful shell color. Internal quality has been running very consistent with mostly 12-15% brix levels with some even scoring higher.

Carrots



Jumbo carrots are limited. If the Cuyama Valley do not size up this could turn a short market for an extended amount of time. Expect pro-rates for the next week or two.

Celery



Supplies continue to be good going into this week. Markets are expected to be steady going into next week. Good quality is being reported by multiple growers.

Corn



Markets are going up due to lighter supplies out of the East. (IN, IL, IA, NY, & MI) Northern regions like MN & WI are seeing less production than normal. Expect supplies to increase after Labor day.

MARKET OUTLOOK



Cucumbers



Supplies are coming from many different regions. Rain over the past week has slowed harvest & some shippers are scrambling to cover orders. Pricing has been steady & may increase by the weekend. West coast cucumbers are currently being harvested out of CA. Demand is currently exceeding supplies. Limited supplies of Mexican cucumbers are expected to continue through McAllen.

Eggplant



Eggplant is being shipped from MI, OH, NJ, & PA but none of these growing regions have huge volume. There is still some product coming from the Carolina's. Eggplant out of the west have light supplies this week. Eggplant continues to be harvested in the Bakersfield and Fresno, CA district. Quality has been good from both regions.

Grapes



Two tier market right now based on varieties. Flames should be finished in about 10 days. Scarlet Royal, Krissy, Magenta will be main varieties for the next month then it will be Scarlet Royal and Allison the rest of the way.

Green Beans



With product available in MI, IN, VA, OH, TN, and NY, there are plenty of beans in the East. All areas have good quality, with only an occasional issue with damage from mechanical harvesters. The story is a little different in the West as CA production is currently on the limited side. Mexico crops have been pushed back and it may be another 10-14 days before we see that supply's help.

Herbs



MARKET ALERT



ALERT: Cilantro supplies remain limited this week, due to very low yields at the time of harvest. The market is very active on the West Coast.

All other herbs are steady with good quality. There are some herbs are experiencing heat related quality issues like dill, basil, oregano, & marjoram.

Honeydews



Honeydew production remains very steady with a nice mix of 5/6s with even some 5s being packed so the sizing trend is toward the larger sizes. This will leave 8s fetching a slight premium. Production should remain fairly steady as we finish out the month of August. Quality of the honeydews has been very clean with a consistent brix level range of 11-14%.

MARKET OUTLOOK



Iceberg



Supplies are lighter this week on iceberg lettuce. Processors are pulling more volume with school orders ramping up. Expect markets to be stronger going into next week. Good quality is being reported at this time.

Kale



Supplies are good this week on green kale. Markets should be steady going into next week. Good quality is being reported with multiple growers.



Leaf



ALERT: ROMAINE HEARTS – Markets remain escalated and demand continues to rise this week. Supplies are trending lower than normal and some reports of quality issues; fringe, wind burn, & light twist. **Romaine** lettuce supplies are lighter this week. Processors are pulling more volume with schools starting up. Expect markets to be stronger going into next week. Good quality has been reported at this time.

Green Leaf/ Red Leaf/ Butter (Boston) Lettuce- Good steady supplies available for this week. Markets are expected to remain steady going into next week. Good quality has been reported at this time.

Tender Leaf



Supplies continue to be good as the weather continues to spur growth and produce better yields in the Salinas Valley. Curly parsley, spinach, & arugula volumes look to be in good shape going into next week. Quality has been reported as good.



Lemons & Limes



ALERT: Limes– Markets are spiking & USDA has stopped quoting large sizes due to the availability. Smaller fruit is in the mid \$20s. Most of the growing regions are in a drought along the eastern Gulf states of Mexico & some growers are in transition. The forecast shows no immediate relief for this region. Even when rainfall returns to the region, we do not expect the situation to be resolved immediately. Expect higher pricing until the new crop begins last August/ early Sept.

Lemons – The market for choice lemons is steady and in the \$20s. The different sizes of lemons have become more similar in cost. Fancy remains in the high \$20s and low \$30s with good demand across the board. Quality is good.

MARKET OUTLOOK



Onions



QUALITY  SUPPLY 

The market has steadied out as we transition back to ID/OR. JBOs around \$8, reds around \$7-8, whites around \$14-16. The concern this season is going to be bigger yellows such as colossal & supers. We are headed to check out the harvest in 2 weeks & will keep you updated.

Onions, Green



QUALITY  SUPPLY 

Good supplies coming in from Mexico. Markets are expected to be steady going into next week. Good quality is also being reported at this time.

Oranges



QUALITY  SUPPLY 

Valencia oranges are rolling steady with good supplies on larger fruit and limited supplies on smaller fruit due to school starting back up. Still very promotable! With all choice fruit around \$12-15 and fancy \$14-18. Demand is average. Quality is good.

Pears



QUALITY  SUPPLY 

Pear season is about to kick off! Harvest has begun for sweet and juicy Bartlett and Starkrimson pears. Soon they will be making their way! You can expect to see the first batch of these delicious beauties in September.



Peppers, Bell



QUALITY  SUPPLY 

ALERT: Red & Yellow Peppers- Limited supplies continue this week on colored bells in both regions. Markets on red is steady/high and steady on yellow. Overall quality is reported as good.

Green Bells- Pricing continues to go down this week. Good supplies across the northern tier of the country. Rain in the mid-west & NE have slowed harvest this week. Moderate supplies being harvested in Mexico & California growing areas.

Peppers, Chili



QUALITY  SUPPLY 

Good volumes of chili peppers this week. Both Baja & Santa Maria have good volumes. Still seeing medium to larger sizing. Supplies are expected to remain steady through the week. The East is coming along steady with small local deals.

Pineapples



QUALITY  SUPPLY 

ON THE RADAR: Supplies will continue to be tight this week & through the end of August. Sizing trend is moving slowly towards larger sizes which will help with 5 and 6ct availability. Quality is pretty good and expected to remain good thru the end of the year.

MARKET OUTLOOK

MARKET ALERT

QUALITY



SUPPLY



Potatoes



ALERT: The market is steady and still climbing with fobs around \$21 which was to be expected this time of the year. Most shippers are done with old crop & into new crop. Big sizes are EXTREMELY limited. Things are not looking good for sizing in regards to crop this season due to weather related issues such as frosts when the spuds were growing. Expect the market to remain high & tight for the next couple of weeks until suppliers get through some harvest & able to fill storages. We are headed to check out the harvest in 2 weeks and will keep you updated.

ALERT: SWEET POTATOES– Expect relief in the next couple of weeks in a small way & then should be steady rolling in a month or so as more harvest is completed. Price of poker is up here due to industry situations last season, but nowhere near as bad as its been at the end of this season.

Squash



QUALITY



SUPPLY



There's lots of product available in the East, particularly on yellow. Quality is varied by grower, lot, etc., but there's nice fruit available. As for the West, the Santa Maria area is experiencing a slight increase in volume as they move into their last fields. Salinas & Fresno continue with limited volume for the next few weeks. Baja is in a bit of a gap & is expected to be back in the next 7-10 days. Quality is nice on zucchini but is less than perfect on yellows.

Strawberries



QUALITY



SUPPLY



Strawberries remain in relatively light supplies as there is a decline in plant production out of Salinas & Watsonville. This decline is normal for this time of year due to the plant varieties nearing the end of their seasonal cycles. Santa Maria numbers should increase slightly to offset this reduction in numbers up North as some growers are going into some new crop fields. This production should slowly increase over the next few weeks. Expect the market to remain firm with slightly higher undertones as we wait for the Santa Maria area to pick up in production.

Tomatoes



QUALITY



SUPPLY



Round Tomatoes: Although there are multiple areas in production, volumes are light to moderate in the East this week. Overall quality is good. Out West, most CA growers with mature greens have reduced volumes due to heat. **Roma Tomatoes:** Volumes in CA & most Eastern areas have been affected by heat. There are some new CA crops coming online & should see an improvement soon. Eastern Mexico & Baja are also in the mix & look to provide steady, moderate supplies for the next few weeks. **Grape Tomatoes:** Continue to be light this week out West and East. Expect to see relief in early September when new crops come online.

Watermelons



QUALITY



SUPPLY



Volume continues to be shorter than in the past years, but also shorter than this past week as we wind down heading into Sept. Over the past month volume is down around 10%. Seedless FOB prices finally showed some inversion after weeks of holding steady or showing increase. Seedless supplies continue remain limited in all areas. Most regions experienced a downturn, though Michigan held steady at the top of the market, & California at the bottom. Expect the seedless supply to remain limited and active for the rest of the domestic season. Quality varies on location; no quality issues have been reported.



MARKET OUTLOOK

UPDATED: Deal struck between Commerce Department, Mexican growers

<https://www.thepacker.com/article/updated-deal-struck-between-commerce-department-mexican-growers>

Tom Karst August 21, 2019 (Updated: 1:28pm) Mexican tomato growers and the U.S. Commerce Department struck a deal for a new [tomato](#) suspension agreement late Aug. 20. The five-year agreement enters a public comment period and goes into effect Sept. 19. Mexican tomato growers released a statement indicating a deal was reached “minutes before midnight” on Aug. 20 to suspend the anti-dumping investigation that was reactivated May 7 this year after the Commerce Department pulled out of the 2013 agreement in response to complaints from domestic growers. A series of five-year suspension agreements between Mexican growers and the Commerce Department since 1996 had set minimum prices for Mexican tomato imports and suspended U.S. dumping investigations and duties. The Florida Tomato Exchange said in a statement that the new agreement is “strong,” replacing 23 years of suspension agreements that “never worked to protect American tomato growers from injurious dumping of Mexican tomatoes.” “The agreement establishes unprecedented measures and enforcement provisions that will help protect American tomato farmers from injurious dumped Mexican tomatoes,” the statement said. The group commended the Commerce Department and the Mexican industry for coming to an agreement that recognizes the need for stronger enforcement. “The new tomato antidumping suspension agreement includes major provisions requested by U.S. growers to improve enforcement and monitoring of the agreement,” the statement said. The Mexican industry conceded on core provisions such as border inspections of all Mexican round, roma and bulk grape tomatoes, according to the statement, along with improved compliance and monitoring tools. “Without these and other new provisions, the agreement will not eliminate the injury being caused by unfairly traded Mexican tomatoes,” the statement said. “We look forward to this agreement being implemented in 30 days from now,” the Florida Tomato Exchange said in the statement. The Department of Commerce has started a public comment period on the deal that will end Sept. 9, according to the draft agreement. According to a statement from Mexican tomato growers, the new agreement will go into effect on Sept. 19. Importers will be entitled to reimbursement of cash deposits made from May 7 to that date, according to the statement. Mexican tomato growers have been subject to an initial 17.56% antidumping duty since May 7. A final determination of injury had been expected by Sept. 19, but that process will now be suspended with the agreement. The Department of Commerce in late July announced a preliminary dumping margin of 25.28% on Mexican tomato imports following its investigation whether tomatoes from Mexico are being dumped into the U.S. The Fresh Produce Association of the Americas issued a statement Aug. 21 that expressed mixed feelings about the deal. “The Fresh Produce Association of the Americas is gratified that the United States Department of Commerce and Mexican tomato growers have produced a new draft Tomato Suspension Agreement that will end the current duties on tomatoes exported from Mexico to the U.S.,” the statement said. “At the same time, the FPAA is profoundly concerned that a provision in the draft agreement appears to require inspections of up to 92% of all lots of tomatoes from Mexico at the U.S. border. “However, the Department of Commerce press office said in an e-mail that the 92% figure cited by FPAA is inaccurate because it incorrectly includes tomatoes on the vine (TOVs), which are explicitly excluded from the near-the-border inspection requirement under the draft agreement.

Instead, Commerce estimates that the correct figure of Mexican tomatoes subject to inspection at 66%. The agency said that products subject to near-the-border inspections under the draft suspension agreement (shares of U.S. import volumes of tomatoes from Mexico) are:

Protected romas: 26.3%, Protected rounds, other than TOVs: 12.36%, Open field romas: 17.1%, Open field rounds: 8.2%, Bulk grapes: 2.4%

Lance Jungmeyer, president of the FPAA, said in the statement that the inspections have the potential to destabilize the U.S. tomato market. “U.S. importers and marketers of Mexican tomatoes will bear what amounts to punitive costs associated with such levels of inspection. Because of the sheer volume of tomatoes shipped north from Mexico to the U.S., we can expect the inspections to create substantial delays that compromise the quality, affordability and availability of tomatoes to American consumers and will create bottlenecks for other goods crossing the border.” Jungmeyer also said that while FPAA commends the U.S. Department of Commerce and tomato producers in Mexico for months of work to revise the tomato suspension agreement, the association strongly urges both to consider their members’ concerns and those of many other American companies and consumers during the coming 30-day comment period. He noted that the heightened inspections are slated to start about six months after the new tomato suspension Agreement, if the deal is finalized on September 19. “The inspection provision is essentially a non-tariff trade barrier whose ripple effects will not only damage the U.S. tomato market but many other industries that trade with Mexico,” Jungmeyer said in the statement. Tomatoes, he said, make up almost 20% of produce imports that flow from Mexico through the Nogales port of entry. Increasing the volume of tomatoes to be inspected there will only create bottlenecks for all goods at the border, according to the FPAA. FPAA estimates that it will cost \$220 million to construct the warehouse space needed for these enhanced inspections, as well as other related costs of close to \$50 million per year, according to the statement. If the changes are ratified, FPAA said the reference price of Mexican organic tomatoes will likely rise by as much as 40% more than the price of conventional tomatoes. “We worry that U.S. market will not be able to bear this dramatic cost increase,” Jungmeyer said in the statement. “It will almost certainly and dramatically reduce the availability of organic tomatoes for the many U.S. consumers who prefer them.” The new suspension agreement includes mandatory quality inspections and increases in floor prices on Mexican tomatoes. According to the draft agreement, the inspection requirement will begin about six months from the effective date, and the tomato trade will have at least 60 days advance notice before the inspection program begins. The United Fresh Produce Association issued a statement Aug. 21 about the deal: “Early this morning, United Fresh learned that the Mexican tomato industry and the United States Department of Commerce have come to an agreement on a new tomato suspension agreement that would suspend the anti-dumping investigation which was reactivated on May 7, 2019,” the statement said. “This will now start a 30 day public comment period with a new agreement entering into force on September 19, 2019, suspending the final determination of Department of Commerce and allow importers to be reimbursed of cash deposits made since May 7. The details of the agreement have yet to be announced, but United Fresh would like to congratulate all of those involved to resolve this matter to bring stabilization back to the tomato marketplace. This will be beneficial for the entire distribution chain, most importantly growers and consumers.”

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

