

BLUEPRINTS

THE PRODUCE PROFESSIONALS' QUARTERLY JOURNAL

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The Cost of Commodities and More

Market News Reports



The year was 1915, and the widespread use of refrigerated rail cars was changing the way America viewed fresh produce as a part of their diet. Fresh fruits and vegetables could now be moved to population centers far from production areas. This produce was largely marketed through the use of intermediaries such as selling brokers or commission merchants. Therefore, shippers and producers were faced with a need for information to both determine which

markets to ship to and to help ensure that they had been well served by their sales agents.

The United States Department of Agriculture's (USDA) Market News was created at the request of the leaders in the produce industry to fill the need for timely, reliable, and unbiased market information. Produce marketers wanted to ensure that they were both well informed about market conditions and that they were treated fairly. From a humble beginning in 1915 tracking Louisiana strawberries, Market News has grown to be the world leader in providing market transparency by covering and reporting hundreds of markets daily with highly trained and experienced professional market reporters. The goal of Market News today (as it was in 1915) is to "Get it, Get it Right, Get it Out."

Market participants across the country, and in much of the world, use USDA Market News reports daily. Market reports are not only used to determine supply, price, and demand but are also used in contracts, dispute settlements and resolutions, insurance and disaster payments, and international trade agreements. Reports and information released by Market News are widely used in courts as prima facie



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Key Elements

Market News was created to fill the need for timely, reliable, and unbiased market information. Some of its duties include the following.

- 🔑 Market News covers fifteen wholesale terminal markets within the U.S. and many important markets in North America and around the world.
- 🔑 The Market News Portal allows users to decide what information they need and in what format they receive and use the information.
- 🔑 Market News plans to expand reporting at the retail level to include regular retail prices for a number of produce items.

To learn more about each key element, look for the 🔑 throughout the article.

evidence, meaning that Market News data is presumed to be an accurate reflection of the market at that moment in time unless it can be proven otherwise.

🔑 Market News covers fifteen wholesale terminal markets within the United States and many of the important markets in North America and around the world. These include the most important markets of Mexico, Canada, Asia, and Europe. Market News also reports the important shipping point markets or point-of-entry markets for imports, including volumes. One of the most closely watched reports issued by Market News is the daily report on crossings from Mexico, which detail the products coming into the U.S. from Mexico each day by 10 a.m. the next morning.

What's New

New varieties and packages arrive on the U.S. produce markets almost every day, as new products are produced domestically or imported products and new origins for conventional products appear. Market News will track not only the volumes of these products on the markets in the United States, but also the market prices for these products. However, the biggest news in Market News is the Portal.

🔑 The Market News Portal has revolutionized how its customers access and use market information. For many years, Market News delivered its information products largely in the form of standardized, hard-copy market reports. The reports, while highly detailed and very specific, were many times built on the basis of what users might

need. With the Portal, users can not only decide for themselves what information they need, but also in what format they receive and use the information. It gives direct public access to the extensive Market News database.

In essence, Market News has gone from providing market reports to providing market information. The Portal also adds other powerful tools such as graphing, e-mail scheduling, and the ability to create individual data views. Lastly, customers can build their own queries or searches of the database and save

those queries for future use.

Additional features and enhancements, largely based upon user feedback, are currently being developed and will be implemented in the coming months. These enhancements will include more robust graphing capability and the ability to do reports or graphs showing multiple years for prices and/or volumes—a feature much requested by “heavy” Market News data users.

Market News also has added some “missing deals” to its market coverage, such as New Jersey vegetables, and has taken over certain states’ coverage, such as South Carolina and Tennessee tomatoes and New Jersey peaches and blueberries. It is important that the significant regional markets are reported, since it provides a complete picture of the universe of supplies, as well as helping to promote the availability of products from these regions.

These changes help to ensure that the most knowledgeable reporters can track and report a deal, such as eastern peaches, from beginning to end. This creates a better connection to the industry and allows market participants to have a higher level of confidence, because the market reporter that they contact has a strong feel for the market and the information they need to be fully informed on important key factors.

What's Next

USDA Market News continues to work with its counterparts throughout the hemisphere to increase access to market information in other countries that are of interest to the U.S. industry. Through an organization

called the Market Information Organization of the Americas, Market News is working to not only gain access to information on markets of opportunity within these countries, but also to improve the capacity of their market information systems and the quality of information products in each of the nineteen member countries. There is currently a Web site linking all of the countries’ market information systems, and further joint efforts and information products will be developed over time.

Market News is also working in cooperation with the Risk Management Agency (RMA) of the USDA to enhance its organic produce market reporting. To support this effort, RMA is providing the funding to modify the Market News database to allow for the segregated storage and retrieval of market information specific to organic production. When the database was first created in the late 1980s, organic production was not envisioned to be as important as it has now become. The enhancement of the database to better track organic products is expected to be completed by the end of 2007.

One of the other early products of that cooperation will be a weekly report on advertised specials across the country. This report will be modeled on the existing reports issued on egg and poultry products, which divides the nation into six regions and tracks the weighted average of advertised prices by commodity within each region. This new report will track a number of fruits and vegetables, both organic and conventional, and will be available in the coming months.

🔑 Market News also hopes to expand reporting at the retail level to include regular retail prices for a number of fruit and vegetable items. This will allow for the near-real-time comparison of regular retail prices and the weekly advertised price, allowing customers to have a better sense of the pricing structure for fruits and vegetables at the retail level.

Lastly, Market News will continue to add market coverage to emerging or missing deals as resources allow. New products, packages, origins, and varieties will be reported as they appear in the market, as they have been for more than ninety years. Market News will continue its efforts to be the most reliable supplier of market information in the world. In other words, Market News will be “the eyes and ears of the produce industry.” 