



The Source

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THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

There will be a 7 to 10 day gap between Central Cal finishing melons and Arizona starting

Cantaloupes are winding down in the Westside district

Rain in the Idaho Potato growing areas will limit supplies this week

Raspberries and Blackberries are very limited

Limited Trucks in the Northwest to load potato and onions

Apples and Pears-the eastern supplies are short and Washington is in large fruit so stay ahead on the smaller sizes

Lemon demand is exceeding supplies on all size and grades

Oranges demand is exceeding supplies on the small sizes 113's and 138's



Weather *Tim Lynch*

A strong high pressure ridge builds out west with very warm temperatures expected into next week. While record highs will not be reached temperatures 10-15 degrees above norms are expected. Upper 80s to possible 90s at the coast, along with triple digit temperatures in the inland regions are expected. This will not help growth patterns in upcoming regions and late season product in the Salinas Valley will also be impacted.



Freight: *Mike McIntire*

Trucks in California continue to be steady early in the week but seem to tighten up at the end of the week. Washington and Idaho trucks remain extremely tight. Please get your orders in as early as possible. The national average on diesel fuel dropped slightly again this week and is currently 3.755 per gallon. CA price remained steady and is now 4.007 per gallon. Crude oil is steady and is now 92.40 per barrel.

Commodity Updates

APPLES/PEARS *John Tole*

New York continues to pack McIntosh, Gala's, Macoun's, Cortland's, Honeycrisp, and now Empires. There are also some red and gold delicious out there. The Mac's, Gala's, and Macoun's are peaking on 80/88/100's and the markets are all steady. The Cortland's are peaking on 72-88's and the Honeycrisp are peaking on 56/64's. Small sizes for all the New York varieties are very limited. California is still packing light volume of Granny-Smiths. The market is steady to lower and they are trying to clean-up. New-crop Red Delicious is still peaking on 80/88's in the #1 and premium grades. Small size reds remain short. The Red market is steady on the smaller sizes and steady to lower on the larger sizes. The Golden Delicious market is steady and they are spread evenly from large too small. Granny-Smiths are steady to lower and are still producing mostly 72-88's in the premium grade. There is some flex in the Granny market especially on the larger sizes. Washington Gala's are steady to lower and are still peaking on to 100/113's with good color. The Fuji market is generally lower. Most Fuji shippers are peaking on 48-64's and have better availability on 100's and larger. Small Fuji's are very short in all grades! Braeburns, Sweeties, Jazz, Red Romes, and Honeycrisp are all available in Washington. California still has a few Bartlett pears but supplies are light. Most of the remaining fruit is in the 80 and 90 sizes. Washington Bartlett pears are steady and still peaking on US #1 100/110's. Washington D'Anjou pears are also steady to lower and remain a couple dollars above the Bartlett's. California Bosc pears are available but the volume is light and the market remains relatively strong. Washington Bosc is available and the market is slowly falling. Washington red pears are mostly steady with some lower.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is steady. Demand is moderate to light. The production pattern remains unchanged, with extra large and jumbos being very tight. These sizes will demand a higher price. Mexico's production has picked up on standard and small sizing. Production in Peru is moderate as well.

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Good	Steady
Asparagus	Good	Steady
Avocado (Mexican)	Good	Lower
Avocado (California)	Good	Steady
Bell Peppers (Western)	Good	Steady
Bell Pepper (Eastern)	Good	Steady
Berries: Strawberries	Fair	Lower
Berries: Raspberries	Fair	Higher
Berries: Blackberries	Fair	Higher
Berries: Blueberries	Fair	Steady
Broccoli	Good	Steady
Carrots	Good	Steady
Cauliflower	Good	Steady
Celery	Good	Steady
Citrus: Lemons	Fair	Steady
Citrus: Oranges	Fair	Steady
Cucumbers (Western)	Fair	Steady
Cucumbers (Eastern)	Good	Steady
Eggplant (Western)	Good	Steady
Eggplant (Eastern)	Good	Steady
Grapes, Green	Good	Steady
Grapes, Red	Good	Higher
Green Onions	Good	Lower
Lettuce: Leaf	Fair	Steady
Lettuce: Iceberg	Fair	Steady
Melons: Cantaloupe	Good	Higher
Melons: Honeydew	Good	Higher
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Steady
Squash (Western)	Good	Steady
Squash (Eastern)	Good	Higher
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Fair	Higher
Tomatoes (Eastern)	Fair	Higher
Watermelon	Good	Steady

Commodity Updates continued

AVOCADO *Tim Kelley*

California supplies are declining quickly as we near the end of this year's crop over the next couple of weeks. Quality is excellent, with sizes peaking on 60's and larger. Mexico is in transition from their Flor Loca crop into their New Crop. Remember that this New Crop will take longer to ripen, and have a tendency to remain green when ripe and ready to eat, and also have a thicker skin making it difficult to detect the degree of ripeness. Volumes crossing are better.

BELL PEPPERS

Western Bells: *Mike Cantu*

Supplies are steady but will start lightening up in the next couple of weeks. California green and colored bells are steady although transitions will take place soon to southern California. Current supplies are meeting demand but we anticipate with transitions, gaps in supplies to take place. Texas currently has good supplies in mostly hothouse colored bells with some open field bells available. We anticipate an active market in October/ November as we project the lack of production from Baja California due to hurricane Odile to press markets up. Nogales will start will some bell pepper production in November/ December Gold bells markets continue at steady fobs and adequate availability. Some greenhouse gold bell peppers are crossing through South Texas.

Eastern Bells: *Harry Sheaffer*

Green Bell Pepper is in better volume.

BERRIES *Tom Smith*

Strawberries:

Salinas/Watsonville: Better supplies this week with lighter demand has this market starting weaken slightly. Quality is still the main issue with shippers quoting 20% defects at loading. Most of them are citing bruising and soft fruit. Harvest numbers are still less per acre than typically expected and labor shortage remains an issue throughout the industry. Many fields have already been discontinued for the season. Order only what you need at this time as quality has been fair at best and will not meet normal expectations for shelf life.

Santa Maria: Quality issues have begun to show up with soft fruit and bruising. Warm nighttime temperatures have the fruit full red to

overripe. Crews are working to divert substandard fruit.

Oxnard: Fruit has begun in a light way and we will begin to push orders this direction as volumes increase.

Raspberries: Demand is strong and volume will continue to decline as California finishes up its crop. Quality is still an issue with soft, leaky fruit. Mexican crop is projected to be available in mid October but rain in the growing districts will likely delay this crop and decrease volumes from the start.

Blackberries: Demand is strong, volumes quickly declining. Quality is still an issue with soft berries and occasional mold. Mexican harvest has been delayed. Earlier projections for Mexican crop of mid to late September have been pushed to into mid October.

Blueberries: Demand is steady with the market strengthening for new offshore fruit. Argentine fruit has arrived in a light way in both Los Angeles and FL. Both the Michigan and Pacific Northwest districts have finished up their harvest and are now shipping mostly controlled atmosphere storage product. Quality is fair out of the Northwest and good on the offshore product.

BROCCOLI *Gabe Romero/Mike Pacheco*

This market is steady. There continues to be a few offers on bunched product as well as crowns. Other suppliers are holding firm to pricing. There is a gap on pricing of six to eight dollars on crowns. Processors continue to monitor twelve week averages for now. Santa Maria, Salinas and Mexico are the main growing areas for this commodity.

CARROTS *Tim Kelley*

Bakersfield crop is dropping in volumes on Jumbo size carrots and with good demand we are see markets firm up. Quality of carrots is still very good.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

The market is steady overall. High pricing in past weeks has cooled demand down. Production continues mainly out of Santa Maria and Salinas. The quality has been reported as good. Expect this commodity to be moderate in availability for the entire week.

Commodity Updates continued

CELERY *Gabe Romero/Mike Pacheco*

This market is steady. Large sizing, twenty-fours to be specific, has the best availability. Small sizing, thirty-six counts in particular continues to demand a higher price. With places like Michigan winding production down, more emphasis will be put on California production. For now, all demands are being met. The quality continues to be strong out of Salinas and Santa Maria.

CITRUS *Tim Kelley*

Lemons: Demand continues strong and is still exceeding supply on all sizes and grades. Oxnard/Ventura is peaking on 165's and smaller, with very little of the larger sizes. The Desert crop is slowing coming on with peak sizing on 165's/140's and looking at another 7 to 7 weeks before we see a higher proportion of larger fruit. Expect tight supplies to continue for 5 to 7 weeks.

Oranges: Valencia supplies are steady. Sizing continues to favor the larger sizes of 72's/56's. Demand is exceeding supplies on the smaller fruit, 88's/113's/138's. California Navels look to start in a limited way by the 4th week of October.

Limes: Demand for limes is less than it has been lately. Supplies are steady on all limes. The market is slowly coming down across the board. The overall quality continues to be acceptable with some yellowing and minor defects showing.

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is steady though at high FOBs. Supplies continue light from southern California until late September early October. We foresee gapping on product meant to come off four weeks from now. California (Mex) cucumbers from Baja, supplies are not adequately meeting current demand. Supplies are available in South Texas but also very light supplies and slightly higher FOB's. We are starting to see some supplies cross through Nogales. We anticipate Nogales quality to improve as production increases.

Eastern Cucumbers: *Harry Sheaffer*

Quality is good and supply should stay good.

EGGPLANT

Western Eggplant: *Mike Cantu*

California eggplant is steady but at high FOBs heat slowed down production slightly. Demand slightly outpacing supplies. We will see slight gaps due to transitions and weather.

Eastern Eggplant: *Harry Sheaffer*

Eggs are in better supply and quality.

GRAPES: *Brad Tremblay*

Red seedless grapes continue to be about steady on the market. Sizing is being dictated by variety but there is plenty of fruit across the board to meet current demand. Green seedless is showing more strength with limited supplies on the smaller fruit. The larger Autumn Kings are showing excellent quality with much of the fruit going towards storage. The black seedless grapes also continue to enjoy excellent quality and large berry size. The export demand on the black's continues to be strong.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

This market is steady. This will likely continue for the rest of the week. Production is only moderate, but demand has fallen off. Expect this commodity to have moderate availability throughout the week and pricing should be competitive. The quality overall has been reported to be good.

LEAF *Gabe Romero/Mike Pacheco*

The leaf market is steady, overall. The issues of fringe burn and decay on romaine continue to be defects reported upon arrivals. There continues to be gaps in pricing. This is due to some shippers reporting lower yields in the fields. Green leaf and Red Leaf is steady with most suppliers. Offers are being listened to. Colossal romaine hearts will continue to be very light in production. Most suppliers will be substituting with regular forty-eight count hearts.

LETTUCE *Gabe Romero/Mike Pacheco*

This market is steady, overall. Supplies are moderate to light in availability. Weights are fluctuating between 37-43 pounds. There continues to be issues on this commodity. Pinking, rib discoloration and russet spotting are the main defects being reported. Supplies are expected to be moderate to light throughout the week. A gap in pricing is occurring by two-three dollars. Demand will dictate where this market goes over the next few days.

MELONS: *Jim Murphy*

Cantaloupe: The demand for cantaloupes has increased. The supply of melons overall is lower especially on 9's and 12's. The market is climbing fast, especially on 9's and 12's. The Westside district is winding down with only a few shippers going this week and next. There will be a 7 to 10 day gap between Central California

Commodity Updates Continued

finishing and Arizona starting. Quality is good to fair right now. Sizing is peaking on 15's and 18's with lesser availability on large sizes.

Honeydew: The Westside fruit continues to have good quality and is peaking on smaller sizes. The market is now rising on all sizes. Good demand along with lower supplies has created a rising market. Mexico is going to be crossing honeydews very soon.

ONIONS *Mike Gorczyca*

No change in the onion world. Demand is moderate with good supplies coming out of all areas. Market is steady on most sizes and colors. Idaho has a good mix of sizes from Supers to Mediums. Washington is peaking on mediums and tops out at Colossals. Trucks are still the biggest issue. Quality is being reported as good out of all areas.

POTATOES *Mike Gorczyca*

Rain in Idaho this week has slowed or stopped harvest with most growers. The forecast is for clearing after today, so growers should be able to get back into most fields by the weekend. Idaho market on large cartons (70ct and larger) are steady with 80ct and smaller slightly weaker. A few sheds will be field running Burbanks this week once they can get back into their fields. Washington potato market is steady as it goes. Trucks continue to be tight. Quality is being reported as good out of all areas. Colorado has a good mix of sizes. Market has come off to get in line with the other growing areas. Quality is good. Russets in Wisconsin are steady and also heavier to the smaller counts. Stockton, California is higher on reds due to lighter supplies and they are steady on gold's and whites. Stockton will pack for another week to two weeks. Minnesota red potatoes are nearly finished for the season. North Dakota has started packing reds and gold's and they are steady on both colors. The N.D. reds and gold's are both heavier to A-size. Idaho continue to pack reds and gold's and both colors are heavy to A-size. The Idaho red B market is down slightly and A's are up slightly because of a size shift. Wisconsin continues to pack reds and gold's and they are both steady and both peaking on A-size. The B reds are shorter than they were in Wisconsin.

SQUASH

Western Squash: *Mike Cantu*

California squash is currently shipping out of Santa Maria and Fresno. Supplies are very light due to gapping and recent hot weather in both growing areas. Demand has outpaced supplies in all growing areas. Nogales has started but with light production. Sonora production ought to pick up pace within the next couple of weeks. Continued high FOBs in all growing areas.

Eastern Squash: *Harry Sheaffer*

Squash is over in Michigan for the most part and has moved to Georgia. Quality is good and supplies are tight.

STONE FRUIT *Brad Tremblay*

Late season peaches continue to be available in the very large tray packs. Red and black plums are beginning to wind down for the season. We are seeing limited availability on the smaller fruit in all varieties. We expect to see some availability on both colors into mid-October but predominantly in the larger sizes. The Pluot season is also winding down rapidly with some fruit available into the middle of the month.

TOMATOES *Aaron Aliotti*

Western/Mexico: In the West, California growers are seeing smaller-sized rounds and less roma volume as they near the end of the season. Grape volumes should be steady from the Oxnard area but are falling off in the Central Valley. Most Mexican growing areas have experienced weather, which has caused mixed effects on quality and production. Southern Baja, where Hurricane Odile left its mark, has significant damage which will impact October-December production. Growers are still assessing damage but early reports indicate the most substantial effects will be on Romas and rounds. Northern Baja production remains steady, although rains and humidity have affected quality. Weak to fair quality and supply of grape tomatoes is keeping most fruit local not being able to withstand long transit times. Cherry tomatoes are better available out of California.

Eastern/Tomatoes: As Tennessee, Alabama, the Carolinas, and smaller local programs in the East begin to wind down the season, the Quincy growing area in

Commodity Updates Continued

Northern Florida is starting up. Larger sizes of rounds are more plentiful than smaller fruit, but there is plenty of product available. Grapes continue to be harvested in strong volumes followed by cherries in the East while Romas are on the light side. Quality is varied as some growing areas have seen substantial rains. With shippers still sorting out the effects of pacific storms on western plants, supplies may tighten going into the next few weeks causing prices to rise.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Fringe burn continues to be an issue on romaine. The warm temperatures in the growing regions are the main reason. Lettuce supplies are moderate. The quality problems of pinking and russet spotting will likely continue sporadically. This is industry wide. Broccoli supplies have loosened up a little. Processors continue to monitor twelve week averages. Cauliflower supplies are moderate.

WATERMELON *Mike Cantu*

Current crops are mostly packed in bins and cartons packed by request. Current production is in South Texas and Sonora. We ought to see watermelon crossings in Nogales to increase in the next couple of weeks.