



THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Rain in the Oxnard growing region this week will likely disrupt production and further limit supply for strawberries

Strawberry demand exceeds supply. Very limited availability

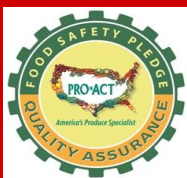
Cantaloupes are very short in supply this week.

Idaho large cartons 60 counts and larger very limited

Truck availability for Onions and Potatoes are in a demand exceeds supply situation

Apples-the eastern shippers are short on the smaller sizes and Washington is into larger fruit so stay ahead on the smaller sizes

Cauliflower supplies are very light with all suppliers. Demand exceeds supply



The Source

December 1, 2014

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Weather *Tim Lynch*

An approaching cold front will bring much needed rain to most of California beginning Tuesday with between 1-3 inches expected into Thursday. This system will also bring strong winds as it rolls through mid week. As this system moves east dry and mild temperatures are expected Friday into the weekend. This system will bring a slight cool down, mostly cloudy skies and a slight chance of showers to the desert regions this week.

Out on the East Coast high pressure remains in charge keeping the Southeast region dry through the week.



Freight: *Mike McIntire*

West Coast Trucks are still tight the front part of this week due to the Thanksgiving holiday. Washington and Idaho trucks continue to be very tight which is normal for this time of year. Please continue to get your orders in as early as possible. The national average on diesel fuel is 3.628 per gallon. CA price is currently 3.753 per gallon. Crude oil remained steady and is currently 74.06 per barrel.

Commodity Updates

APPLES/PEARS *John Tole*

New York continues to pack McIntosh, Gala's, Macoun's, Cortland's, Honeycrisp, Empires, Red Romes, Red Delicious, Golden Delicious, and Fuji's. The New York suppliers have light availability on 88's and larger due to strong demand. The eastern slicers are taking many of 100/113's and the 125/138/140 supplies are limited. Expect light availability early in the week. Michigan continues to pack Cortland's, Empires, Fuji's, and Gala's, Golden Delicious, Granny-Smith, Honeycrisp, Jonagolds, Jonamacs, Jonathans, McIntosh, Red Delicious, and Red Romes. Most Michigan varieties are peaking on 88/100's. Michigan still has better availability of 125/138's than most other districts. Most Michigan shippers are only packing the larger fruit to order because the Washington markets are so low. Washington Red Delicious are steady and continue to peak on 80's and larger in the WX#1 and premium grades. 113 and smaller reds remain short in all grades. Golden Delicious are steady on all sizes. Golden's have better availability on 88's and larger. Granny-Smiths are mostly steady on all sizes and continue to peak on premium 80/88's. 125 & smaller Grannies are extremely short. Washington Gala's are mostly steady and still are peaking on 88/100's. The size-profile for Gala's is larger now that the early varieties are finished. The Fuji market is steady on 100's and smaller while 88's and larger are steady with some flex for volume. Braeburns, Jonagolds, Sweeties, Jazz, Red Romes, Cameo's, Honeycrisp, and Pink Lady's are all available in Washington. Most of the Washington varieties are peaking on the larger sizes. Washington Bartlett pears are steady and are peaking on US#1 90/100's & larger. Smaller Bartlett's remain limited. Washington D'Anjou pears are also steady and are peaking on 100's & larger. Washington Bosc is steady and has more of the smaller fruit than the green pears. Washington red pears are steady on all sizes.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is softer as demand has fallen off. Good supplies are expected out of Mexico for the entire week on all sizing. There are better supplies of jumbo sizing as well. Production in Peru is moderate to good. Loading out of Florida is still an option.

Commodities at a glance...

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

Commodity Updates continued

AVOCADO *Tim Kelley*

Mexico's is going well with volume stabilizing as we get into a normal flow of fruit. Supplies of 48's are improving and 60's and 70's are still very good. Demand for the 60's and 70's have improved and pricing on these sizes have firmed up, narrowing the gap with the 48's. This early season fruit will 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.

BELL PEPPERS

Western Bells: *Mike Cantu*

Supplies are lightening up and we are experiencing extreme demand exceeds on colored bells. California green and colored bell production is starting to taper off. Current supplies on red bells are not meeting demand and we anticipate with transitions, gaps in supplies to occur. Texas has lighter supplies in mostly hothouse colored bells with some open field bells available. We have some colored hot house bells in Nogales. We are currently in an active market now as the lack of production from Baja California has pressed markets up. Nogales will have its traditional start in bell pepper production by late November/ December there are however; some availability on green bells in Nogales from early starting fields and product brought in from other districts. Markets are higher due to added demand.

Green bells are increasing in production and adequate availability on all sizes.

Gold bells market is steady as transitions have taken place. Some greenhouse gold bell peppers are crossing through South Texas and Nogales.

Eastern Bells: *Janine Baird*

Central and South Florida are both now working pepper but weather has been cool and rainy, slowing down the picking. However, demand will be slack at the front of the week, keeping this market from rising. Look for it to gain strength going into the weekend.

BERRIES *Tom Smith*

Strawberries: DEMAND EXCEEDS SUPPLY.

We are extremely short on fruit in all areas. This will likely be the situation until early to mid December when FL is scheduled to begin harvest and MX should be crossing better

volumes of strawberries. Shippers are focused on covering contracts and we are being fill-rated on a daily basis. Extremely limited quantity available for open market orders going into this week. Special packs such as stems and pints will not be available. Oxnard growing region received approximately 0.25 inches of rain over the weekend and they're forecasted to receive up to 3.0 inches as rain continues through Thursday morning of this week. This will disrupt production and limit supplies further. We will begin to see a decrease in quality with issues related to the rain; pin rot, soft and mushy berries.

Raspberries: CA harvest is complete with most all fruit now coming from Mexico. Mexican volumes have increased and quality is improving. We are expecting good volumes to continue throughout the holiday season with increasing quality as well.

Blackberries: With good weather in Mexican growing regions this week, crews have been able to get in and clean up crops after recent rain. We are expecting increasing volume and quality in the next weeks.

Blueberries: Argentina regions have past their peak as significant weather events threaten to close the season early. Some quality issues reported in ARG fruit with mold, shrivel, soft fruit. Chile is beginning to increase production and both air and boat shipments are starting to hit U.S. ports. However, Chilean export inspectors are on strike which could affect both types of shipments. Early indications are that this strike is short lived and should only affect the next 3-5 days. Chilean fruit is reported with good quality. Mexican volumes are light as many plants have gone dormant after recent rains and pest issues earlier in the season.

BROCCOLI *Gabe Romero/Mike Pacheco*

The market is softer. Business is light after the holiday pull, and supplies should be moderate to good throughout the week. Santa Maria, Yuma and Mexico are the main growing regions for these commodities. Overall, the quality is reported to be good.

CARROTS *Tim Kelley*

The long hot California summer and drought is now really showing on the Bakersfield crop. The fields are not sizing well and the volume on

Commodity Updates continued

Jumbo and medium size carrots continue to drop off in supplies. We expect tight supplies on Jumbo and medium carrots for next 2 to 3 months until we get into the desert crop. Markets are firming up on Jumbos and Cello's. Quality of carrots is still good.

CAULIFLOWER *Gabe Romero/Mike Pacheco*

This market is very strong. Demand exceeds supply with all shippers. Cold weather has kept this commodity from sizing up properly. This reason along with small labor forces are making this commodity very difficult to come by. Escalated pricing is in effect. Santa Maria and Yuma are the main growing regions for this commodity. Salinas's production is finished. The quality continues to be up and down with issues of brown spotting, discoloration and small sizing. Expect this commodity to be very light in availability all week with all shippers.

CELERY *Gabe Romero/Mike Pacheco*

This market is stronger with all suppliers. The holiday pull was very good. All suppliers are trying to catch up with inventories, but demand is making this difficult. Expect this commodity to have light availability for the entire week. Currently, production is out of Santa Maria, and Oxnard. Salinas has light availability as well. There are no major quality issues to report.

CITRUS *Tim Kelley*

Lemons: The market is steady. Desert fruit size in now much larger and is peaking on 115's and 140's and smaller fruit is beginning to tighten in supplies.

Oranges: Navel production continues to increase. Internal maturity on the Navels is ahead of normal. Size is currently peaking 88's/113's/72's/138's/56's.

Limes: The market is steady on all sizes. Demand is matching supplies. The overall quality continues to be acceptable with some yellowing and minor defects showing.

CUCUMBERS

Western Cucumber: *Mike Cantu*

Market is steady. Production from Sonora is steady but we're experiencing some lots with quality issues. Supplies should be adequate from here on out barring any weather issues. Sonoran

supplies are making up for the affected Baja production due to the past storm damage. We ought to see some production start from Sinaloa this week.

Eastern Cucumbers: *Janine Baird*

Florida continues to be light on domestic cucumbers. Market should remain steady until the off shore deal starts in another 2-3 weeks.

EGGPLANT

Western Eggplant: *Mike Cantu*

California eggplant is basically done. Demand is still outpacing supplies. Mexican production is heavy towards 24ct and very light on 18ct. Current market uptick is attributed to waning domestic supplies and added demand.

Eastern Eggplant: *Janine Baird*

The eggplant market is up due to Georgia finishing and Florida not yet into any volume. Market will remain high and supplies scarce for a couple more weeks.

GRAPES: *Brad Tremblay*

The grape markets continue to be strong as the fresh harvest has ended on green's and nearly ended on the domestic reds. The projected rain hitting Northern and Central California this week should have no significant effect as the current crop is mostly in the barn. The green market has steadied out as the Peruvian imports, though more expensive, are increasing in numbers. We expect this trend to continue and will help hold the market at current levels. The red seedless are still plentiful, especially in the Crimsons, and this market should also continue to be about steady for the short term.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

A few shippers have attempted to slightly raise pricing, but overall this market is steady. Expect production in Mexico to have moderate to good availability for the entire week. Small sizing continues to be the sizing most readily available. Mexico's weather in the growing regions continues to be favorable.

LEAF *Gabe Romero/Mike Pacheco*

The romaine market has fallen off with most suppliers. The quality in Yuma continues to get better with less seeder and tip burn compared to past weeks. The weights on romaine have been

Commodity Updates Continued

averaging 34-38 pounds. Green and red leaf items are a bit softer as well. Colossal romaine hearts are almost non-existent. Regular romaine hearts have picked up in availability.

LETTUCE *Gabe Romero/Mike Pacheco*

This market has started out steady with most suppliers. Lack of labor is the only reason why some shippers are light in production to begin the week. This problem should correct itself quickly. Demand overall is off. Weights continue to be reported between 38- 43 pounds. Slight seeder still exists but the quality is definitely getting stronger. Expect steady supplies throughout the week.

MELONS *Jim Murphy*

Cantaloupe: The desert is finished for the season. Offshore melons this week are arriving very slowly in Florida and are extremely tight. The sizing continues to peak on 9's and 12's with fewer 15's and even fewer 18's. Offshore melons are also just beginning to arrive on the west coast but are extremely limited also this week. The market is climbing up on what little is available. Quality is good on all lopes.

Honeydew: The desert is finished for the season. Mexican supplies have lowered down for the season as growing areas finish. Offshore dews are arriving now with 5's and 6's being the main sizes. The market is steady on all sizes. Quality is good on all of them.

ONIONS *Mike Gorczyca*

Truck availability is the main issue in the Onion World. Onion market out of all growing areas is steady on all sizes and colors. Quality is being reported as good.

POTATOES *Mike Gorczyca*

Idaho – Large size potatoes (60ct through 40ct) very limited due the small storages the shippers are currently in. These storages are peaking on 80ct and smaller. Now that we are through the first retail holiday, hopefully they will move into some potato storages that have better supplies of larger cartons. We will see as this week moves on. Market is very firm on 60ct and larger potatoes and steady on 80ct and smaller. Trucks are also very limited. Please pre-book all orders with 70ct potatoes and larger 4 to 5 days in advance.

Washington/Colorado/Wisconsin – Market is steady on 70ct and smaller with 60ct and larger have a firm under tone. Quality is good. There seems to be better availability of trucks out of these areas.

Color Potatoes *John Tole*

Bakersfield, California - continues to ship Washington red, white, and gold potatoes. The market for all colors and all sizes is steady. Premium and Bakers reds and gold's are limited. Western Washington – the markets for all colors are steady. Their reds are peaking on A-size while the whites and gold's are heavier to B-size. Washington shippers are still dealing on volume for A-size reds.

North Dakota - reds are steady but strong due to increased demand. Gold's are steady on all sizes. N.D. is peaking on A-size reds while the gold's are producing more B's.

Idaho - reds and gold's are both steady and both are still peaking on A-size.

Wisconsin - reds and gold's are both steady. The Wisconsin reds are heavy to A-size while the Gold's are split between A's and B's.

SQUASH

Western Squash: *Mike Cantu*

California squash is done. Extreme demand exceeds. Supplies are off from Sonora and higher demand is pressing market upwards. Lighter supplies as some Sonoran growers taper off in production.

Eastern Squash: *Janine Baird*

Squash volume in Florida is increasing with Homestead ramping up. Market should stay high through the weekend but should start to loosen up by next week.

STONE FRUIT *Brad Tremblay*

The cherry market continues to soften as supplies are increasing steadily. Though easier to get and slightly down on the fob pricing we are still seeing a very good fob price. We expect this to be the case until the first containers hit port in the next two weeks. Apricots are also available but in much smaller quantities and this market looks to continue to be very strong. We are still several weeks away from the first containers of Chilean peaches and nectarines.

TOMATOES *Aaron Aliotti*

Western/Mexico:

The West has light supply and color on both

Commodity Updates Continued

Romas and rounds. The demand is strong, but supplies are short. Quality on a lot of the Mexican crossings is very questionable. A lot of that fruit is coming from growing areas that were hurt by storms. It is essentially a salvage crop for some areas. Most of the fruit showing up at the border crossings are very light in color or actually green in color. So like rounds, color is a major issue for Romas. Southern California will be finishing up next week, which sends us to Mexico for all Western products. Both Mexican growing areas that are in production are experiencing reduced yields due to normal seasonal decline and past weather issues. Availability is expected to remain tight until Western Mexico gets back in the swing late December.

Eastern/Tomatoes:

With Ruskin moving toward its seasonal decline, the East is expecting continued light supply on Romas and rounds. Rainy weather has affected yields on existing crops and the cold weather could stunt growth even more. The pipeline is empty and inventories are low, receivers and distributors simply cannot keep up on color. The weather in Florida is going to take a turn for the worse for the remainder of this week. However, relief is in sight when Immokalee comes into full season just after Thanksgiving assuming temperatures stay above freezing. Grape supply is steady as both Ruskin/Palmetto and Immokalee are bringing fruit to the table. Low supplies and strong demand have pushed the market up a little since last week. Rain and cold weather in Florida is going to keep supplies short. Florida is the main area for cherries at this time. Cold weather and rain will slow production this week. Demand is very strong and prices are up.

VALUE ADDED *Gabe Romero/Mike Pacheco*

Romaine supplies are expected to be steady throughout the week. Lettuce supplies are not an issue as all needs are being met for the processors. Broccoli supplies are good. Cauliflower production will be very light throughout the week. All processors are watching numbers very closely. Escalated pricing is in effect. This item will be tight all week at a minimum.

WATERMELON *Mike Cantu*

Current crops are mostly packed in bins and cartons. Increasing volumes through Nogales and Market is holding steady albeit at high FOBs. Current production is in South Texas and some in Sonora. We ought to see watermelon crossings in Nogales to increase in the next couple of weeks. We still have a demand exceeds market due to lower than expected yields from Mexican production.