



THINGS YOU SHOULD KNOW:

COMMODITY ALERT:

Heavy rains in Oxnard, CA strawberry growing regions have severely disrupted production and supply.

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 3, 2014

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Weather *Tim Lynch*

A cold front out west will bring much needed rain to most of California beginning this week with between 2-4 inches expected in the various regions. As this system moves east dry and mild temperatures are expected into the weekend. This system will bring a slight cool down (mid 70s) mostly cloudy skies and a slight chance of showers to the desert regions through the 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 3.605 per gallon. CA price is currently 3.7726 per gallon. Crude oil went down to \$68.98 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 are still short. Washington D'Anjou pears are also steady and continue to peaking on 80/90's now. Small D'anjou's are also short. Washington Bosc are steady and are peaking on 80/90's now. Small Bosc are now limited. Washington red D'anjou's are steady on all sizes and they are peaking on 45/50's.

ASPARAGUS *Gabe Romero/Mike Pacheco*

This market is steady as demand has fallen off. Good supplies are expected out of Mexico for

Commodities at a glance...

<u>Commodity</u>	<u>Quality</u>	<u>Market</u>
Apples	Good	Steady
Asparagus	Good	Steady
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	Higher
Berries: Blackberries	Fair	Steady
Berries: Blueberries	Fair	Higher
Broccoli	Good	Lower
Carrots	Good	Higher
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	Down
Grapes, Green	Good	Steady
Grapes, Red	Good	Higher
Green Onions	Good	Lower
Lettuce: Leaf	Good	Lower
Lettuce: Iceberg	Good	Steady
Melons: Cantaloupe	Good	Higher
Melons: Honeydew	Good	Higher
Onions	Good	Steady
Pears	Good	Steady
Potatoes	Good	Higher
Squash (Western)	Good	Steady
Squash (Eastern)	Fair	Higher
Stone Fruit	Excellent	Higher
Tomatoes (Western)	Good	Steady
Tomatoes (Eastern)	Good	Lower
Watermelon	Good	Higher

Commodity Updates continued

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.

AVOCADO *Tim Kelley*

Mexico's is still coming in with steady volume. Supplies on 48's have improved with 60's and 70's volume holding steady. 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. Maturity of fruit is much better and is improving weekly, but will still 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. With both regions still going strong, this market has remained steady.

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. Ventura county (Oxnard) strawberry growing regions received approximately 2.00" of rain Tuesday. Forecast is still calling for light showers today and through Thursday morning as well. Most, if not all shippers harvests may be cancelled today. If they are able to get crews into the fields, it will be for culling the fruit and cleaning up the plants. We are hearing that it may be Friday before fruit is harvested for fresh market. We expect to see extreme fill-rates, pushing orders, cancellations.

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 have been on strike which could affect both types of shipments. 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.

Commodity Updates continued

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 Jumbo 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 continue to rise on Jumbos. 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 continues to be active. 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 coming down on all sizes. Demand is not keeping up with 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 has been into decent supply on domestic cucumbers. Market should remain steady until the off shore deal starts in mid-December.

EGGPLANT

Western Eggplant: *Mike Cantu*

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. Quality is excellent.

Eastern Eggplant: *Janine Baird*

The eggplant market has finally loosened up a bit with more availability in Florida.

GRAPES: *Brad Tremblay*

Red and green grapes are winding down rapidly on the domestic front. The fresh harvest is done and it is becoming increasingly difficult to source all varieties from one house. We expect this to continue for the next several weeks until we see an increase in the off shore shipments. All grape markets have firmed up and strengthened and should continue this trend until the Chilean fruit arrives in volume around the last week of December.

GREEN ONIONS *Gabe Romero/Mike Pacheco*

Supplies have picked up. This market is softer. 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 is softer. The quality in Yuma continues to get better with less seeder and tip burn compared to past weeks. The weights on romaine have been 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.

Commodity Updates Continued

LETTUCE *Gabe Romero/Mike Pacheco*

This market is steady. Lack of labor is the only reason why some shippers are higher in pricing. This problem should correct itself quickly. Demand overall is off. Weights continue to be reported between 40-44 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*

Trucks, Trucks or I should say no trucks availability to load onions. Onion market out of all growing areas is steady on all sizes and colors. Quality is being reported as good.

POTATOES *Mike Gorczyca*

Idaho – Same old story in Idaho, very limited to no large cartons (60ct through 40ct). The storages are peaking on 80ct and smaller. Shippers floors are full will 5/10 and 10/5 bales this week as there is no demand for bales. The bale market will start to pick up next week for the Christmas pull. Hopefully, they will get into better size storages when this pull starts. Trucks are still very short and I would recommend staying ahead on Potatoes. Quality is being reported as good. 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 having 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 – they are steady Washington red, white, and gold potatoes. The market for all colors and all sizes is steady. Premium and Bakers reds and gold's are still short. Western Washington – the markets for all colors and sizes are steady. Their reds and whites are peaking on A-size while the golds are more evenly split between A & B-size. Washington shippers are still dealing on volume for A-size reds.

North Dakota - reds are steady and still heavier to size-A while B's are limited. Gold's are steady on all sizes.

Idaho - reds and gold's are both steady and both are still peaking on A-size. Idaho also has good availability on Premiums/Bakers in both colors.

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

SQUASH

Western Squash: *Mike Cantu*

Market is very unsettled as some new farms come online. It is still a demand exceeds but signs of markets are weakening on Italian squash, yellow squash continues very short and demand exceeds supplies.

Eastern Squash: *Janine Baird*

Consistent high winds of 15-20 mph in south Florida has been causing major pollination issues, all but halting squash production. What yields there are have been minimal at best with many growers going days without picking. With the winds starting to die down and the temperatures warming, the situation should improve by next week. However, the outlook for the remainder of this week is not good: high markets and little to no availability.

STONE FRUIT *Brad Tremblay*

Rain in Chile has greatly impacted the import cherry market. Early estimates are for a loss of up to 20% of the crop due to heavy rain (up to 1 ½ inches) in the cherry growing region. The fruit that survives will show water damage and will either not ship or will ship with problems upon arrival. The nectarine and peach markets have not shown any real effect and should still begin to show up in U.S. ports about the third week of December.

Commodity Updates Continued

TOMATOES *Aaron Aliotti*

Western/Mexico:

The West has light supply and color on both 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 this week, which sends us to Mexico for all Western product. Both Mexico growing areas 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 in late December.

Eastern/Tomatoes:

With Ruskin moving toward its seasonal decline, the East is expecting continued light supply on Romas and rounds getting better this week. Quality is reported as being good. Rainy weather has affected yields on existing crops and the cold weather could stunt growth even more. Poor weather slowed harvests last week however Immokalee comes into full this week assuming temperatures stay above freezing. Grape supply is steady as both Ruskin/Palmetto and Immokalee are bringing fruit to the table. Lower demand has allowed the market to soften a bit 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. Demand is down and prices are adjusting however remain high for this time of year.

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 packed by request. 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 getting lighter as transitions take place. Jalisco is expected to start in next couple of weeks and we project supplies to continue on the light side. We still have a demand exceeds market due to lower than expected yields from Mexican production.